

**INTERNATIONAL MARKETING
RELATIONSHIPS:
AN ALTERNATIVE VIEW**

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ABSTRACT

This study began with the observation that international marketing research (IMR) lacked a human face. A literature search confirmed this view. The review was thus widened to include international marketing (IM) studies of culture, cognition, and communication, since they were thought to underpin all human interactions. This step, it was believed, would help clarify marketing scholars' understanding of these encounters. Analysis established that not only were there few studies in these areas, but they also focused on dyads, prediction, and control. To establish how this research had evolved in this way and how it could best be extended, an exploration of how knowledge is created followed. This culminated in my understanding that the culture in mainstream marketing circles was responsible for the lack of development of IM relationship research. A decision was therefore made to study this area from an alternative perspective to the positivist approach typically adopted. An interpretive study of small business in a developing country and their overseas buyer was undertaken to that end. In total, more than eleven months fieldwork was conducted in Indonesia. The resulting interpretation was compared to the existing IM relationship research. The literature was then again extended to examine non-marketing studies that may help explain field findings that could not be explained by existing IMR. It was suggested that IM scholars needed to question whether the values and assumptions underlying their research, are appropriate in a global context.

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CHAPTER 1

INTRODUCTION

1.1 Background

This thesis began with the observation that international marketing research appeared to be primarily strategy, channel, and seller focused. If these factors were indeed characteristic of international marketing research (IMR) then this sub-disciplinary area was lagging well behind what many international marketing practitioners were now doing. For example, advances in telecommunications, increasing deregulation policies by many governments, and the increasing power of transnational corporations, have meant increasing world trade. To operate successfully in this environment managers have had to adopt quite different strategies to those they used in the past. More innovative and responsive organisations, for example, are increasingly forming alliances, even with traditional competitors, and outsourcing and gaining location economies around the globe. This has meant managers have had to acquire new knowledge and skills, such as learning to build relationships with partners from quite different cultural backgrounds. The IMR literature appeared to have overlooked such interpersonal issues, instead concentrating on functional activities.

A review of the general state of IMR confirmed this observation. Additionally, it revealed that the few studies that dealt with international marketing (IM) about buyer-seller relations were mainly conceptual and experimental. Very few such real-life situations had been investigated and, furthermore, cultural differences between

international buyers and sellers were assumed to be inherently problematic. In order to gain a better understanding of this research area the literature about domestic buyer and seller encounters, and relationships was examined, as was the marketing research about culture, communication and cognition, since these latter three variables were believed to be central to all encounters.

It was noted that IM scholars had drawn very narrowly from the domestic marketing relationship, cognition, culture, and communication literature. Further, when adopting or modifying theories or models developed from within or from outside the marketing discipline, they gave scant consideration to the problems associated with doing so or to the philosophical assumptions and values that underpinned their research or those of others. These points, I argue, have contributed to the slow and narrow developments in IMR, points several marketing academics have also recently made (Dana, 2000b; Mattsson, 1997; Toyne & Nigh, 1997; & Paliwoda, 1999).

1.2 Significance

This thesis is significant in a number of respects.

- Unlike much of the mainstream marketing research, this study addresses the issue of how developments in IMR have been influenced by the pervading culture in this sub-disciplinary area and the general evolution of mainstream marketing. Like Hogner (1997); Jones (1998); Munch (1989); and Ward (1997), I argue that knowledge is not out “there” waiting to be found. The influence of marketing scholars explains the characteristics of the current IMR.

- It is acknowledged that some marketing researchers, especially consumer behaviourists, have moved beyond a 'cookbook' approach to research. Very few other marketing scholars have considered how the adoption of particular research philosophies and strategies can help extend knowledge in any given area, as is done here.
- These understandings led to the decision to explore real-life international marketing relationships from a philosophical and methodological perspective significantly different to the existing positivist research in this area. It would also serve to illustrate how the world-view of a researcher colours their findings.
- This study involved extended field research in a foreign environment, which is uncommon in IMR. It also meant learning a foreign language at night school in New Zealand and while in the field. Counting pre-field and post-field work this involved some 11 months. From an anthropological or sociological perspective this time frame is not extraordinary. It is, nevertheless, unusual in mainstream marketing circles. Further, it was conducted in Indonesia in 1997, amid the Asian financial crisis, and rising social and political unrest. Tourists, the mainstay of the selected research site, and capital were rapidly evaporating, and riots and demonstrations were not unusual at this time. Toward the end of my research visa's expiry period, necessary for research in Indonesia, several foreign governments were also warning their citizens to leave the country. Even had I ignored these warnings and elected to remain a visa extension or new permit would have taken months to acquire, making me a foreign over-stayer.

- The primary research conducted during this study resulted in quite different results to those established or conceptualised by existing IM relationship scholars. This reinforced my growing view that all academics need to acknowledge and consider the impact of their assumptions and values on their investigations and disciplinary area, and the relevance these have to practitioners' needs.
- This research was undertaken at two levels. First, and foremost, it explores how the norms and values inherent in an academic community influence the way knowledge in an area evolves. It also provides an example of how a different research philosophy and strategy, applied in an environment and situation significantly different to that found in existing IM relationship studies, can suggest ways in which knowledge in this area can be expanded.
- Finally, it is argued that the complexities inherent in international marketing situations can not be fully appreciated or understood from a single research view. It is acknowledged that other scholars, particularly from outside the marketing discipline (Chapman, 1997; Callon, 1998; Dacin, 1997; Hardy & Clegg, 1997; Hefner, 1998; Hodgson, 1988), have drawn attention to the weaknesses inherent in adopting such an approach whatever the research domain. Such scholars are, nevertheless, still in a minority because implicit and explicit behavioural rules and guidelines encourage certain types of research in different academic groups.

1.3 Research Focus

This thesis began by establishing general developments that have taken place in IMR. This was conducted with the express purpose of ascertaining whether IM

scholars had investigated international buyer-seller relations. It was found that while increasing numbers of researchers were interested in this area, there was a dearth of international relationship studies. A wider search of the literature followed, including an analysis of marketing culture, cognition, and communication literature, since these were considered to be critical to all types of interactions. Domestic relationship research was also examined to help broaden understanding in this domain (Chapter 2).

International marketing scholars were noted to have examined culture in a very similar way, viewing it as inherently problematic. They also relied on theories and concepts of culture from other disciplinary areas, transporting them with little consideration of the ramifications of doing so. International marketing studies focusing on cognition and communication were noticeably absent.

It was observed that IM relationship studies had similar objectives, methodologies, and foci. They had also drawn very narrowly from the domestic relationship research. Researchers' examining both areas were found to have frequently adopted existing theories and models from inside and outside the discipline, with little thought to the problems associated with transferring ideas across time and space. These findings led to an examination of how IM relationship research had developed, to try to understand how research in this area could best be developed (Chapter 2).

The marketing discipline has its roots in the Midwestern School of Economics and a scientific approach to research. These characteristics were noted to continue to pervade the IM relationship literature. A review of the Hunt (1984, 1990, 1991, 1992, 1994a, 1994b) and Anderson (1983, 1984, 1986, 1988a, 1988b) marketing debate about how to conduct research followed. It was noted that marketing scholars' interest in this topic had waned, although the issue of research philosophy was never really examined in any major way. In recent years several marketing scholars (Gronhaug & Olsen, 1999; Mattsson, 1997) were observed to have considered this important question.

An introduction to the multitude of different research philosophies was next provided and attention given to two of these, positivism and interpretism. It was found that IM relationship research was overwhelmingly positivist and based on Western values. This understanding helped explain why this group of scholars had not commented on the research stance they adopted or how this may have influenced their studies, since positivist researchers' commonly believe that their studies are objective and researcher free (Chapter 2).

All of these findings led to the decision to adopt a research philosophy and methodology quite different to that pursued by most IM scholars. It was anticipated that this would help to extend relationship knowledge in this domain. In order to achieve this objective, it was also decided to differentiate this study further by investigating the owners of small businesses in a less-developed country and in a culture significantly different to the West (Chapter 3).

A hermeneutically oriented, ethnographic field study was conducted, based in a woodcraft manufacturing region in Indonesia. Owner-managers of small woodcraft businesses selling to overseas buyers were interviewed over a seven-month period. Similar interviews were conducted with the foreign business buyers of these products, in order to establish both parties' views of their relationships. Observations of local life; including traditional market exchanges, retail sales to tourists, daily local routines, and religious occasions formed an integral part of this study. Regular discussions were also held with several local cultural and business experts, and local texts were read (Chapter 3). Data from all of these sources was gathered and analysed in an iterative manner, as typifies interpretive research. This allowed ample opportunity to pursue points of interest raised by buyers and sellers, as well as to explore other leads and questions as they arose. In the final stages of interpretation the key plots and overall stories of participants were discussed with local advisers, participants and a field assistant (Chapter 4). The key primary research findings were then compared to those of the IM relationship literature critique (Chapter 2). It was observed that there were noticeable differences between the understanding of business relationships that arose from fieldwork and existing IMR in this domain (Chapter 4).

An extended literature search was conducted to try to explain the anomalies between findings from Chapters Two and Four (Chapter 5). This included an examination of the small business literature and entrepreneurial research, as well as pertinent sociological and anthropological studies. In concluding this study

propositions about IM relationships were presented for consideration by IM scholars interested in extending research in this domain.

1.4 Research Aims

This research aims to -

- identify if IM researchers have studied international buyers and sellers, and their relationships;
- critically analyse the characteristics, objectives, methodologies, and foci of this body of research;
- explain how IMR has developed certain characteristics, by examining what is understood about knowledge creation;
- establish the main research philosophy(s) of IM scholars in this domain, by exploring the values and assumptions underlying IM relationship research;
- draw IM researchers' attention to how their dominant research philosophy has constrained knowledge development in IM;
- provide a broader picture of international buyers and sellers by examining the findings of non-marketing studies in this domain;
- illustrate, by way of a different research philosophy, methodology, and focus, how a different research perspective to that found in the existing IM relationship studies, can help to extend IM knowledge in this area;
- explain the findings of the primary research and compare it to existing studies about IM relationships to establish if any major similarities or differences occurred; and

- suggest future research directions for IM scholars interested in extending the existing knowledge about international marketing relationships.

1.5 Research Framework

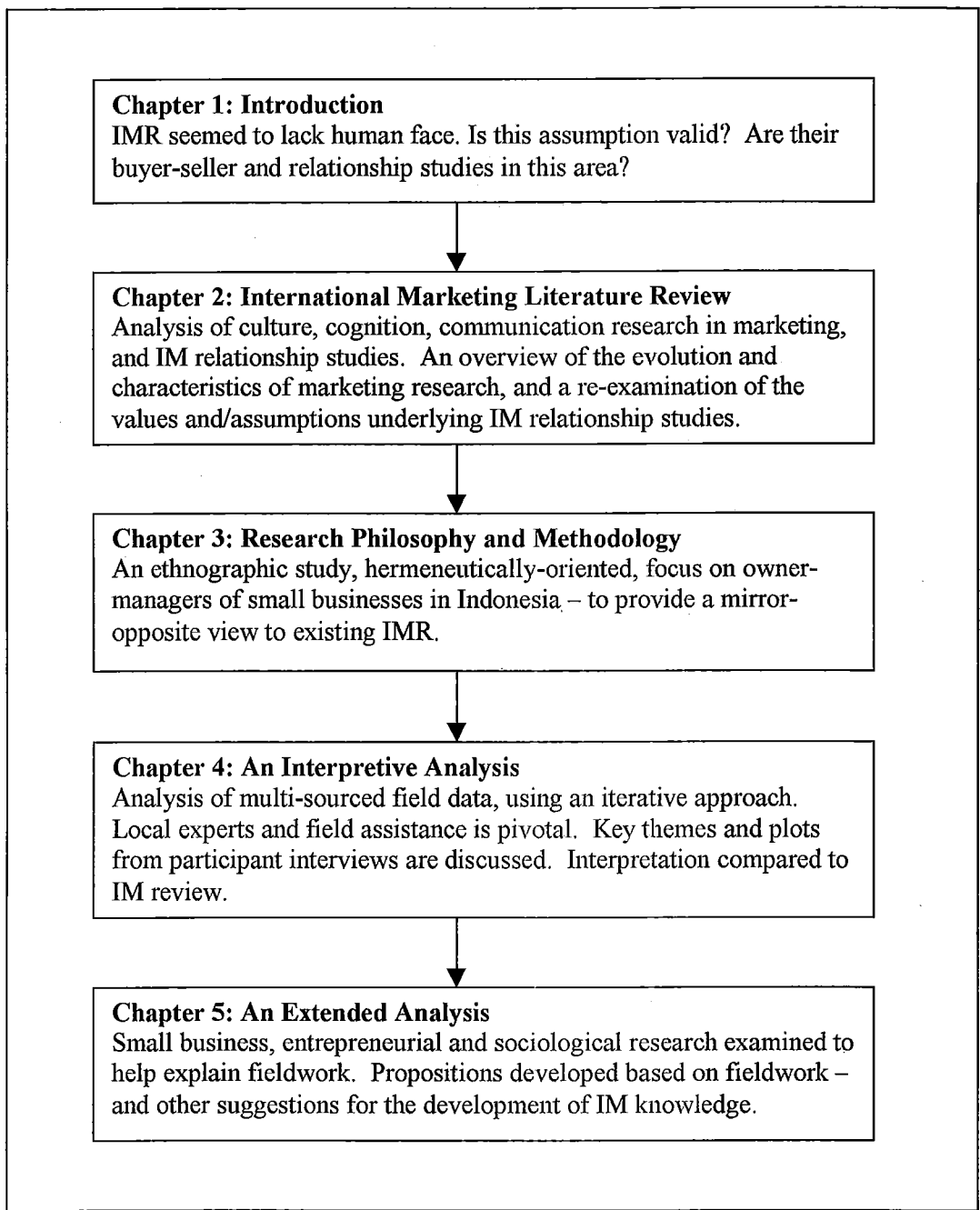
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Figure 1.1 provides an overview of this research. Chapter 2 begins with an overview of the general direction that IMR has taken, showing why it has developed in this way. I then critically examine IM models, definitions, and conceptualisations of buyers and sellers, and their relationships. Marketing researchers' treatment of culture, cognition and communication, in domestic and international domains, is also explored, as these were considered central to all interactions. An examination of the development of knowledge follows, to try to explain the characteristics of IM relationship research. The Hunt-Anderson debate, about how best to conduct research, is then reviewed and attention drawn to the fact that even this heated discussion overlooked the issue of research philosophies and how these colour any research.

With this understanding, IMR about buyers-sellers, and their relationships is re-examined to ascertain scholars' underlying assumptions and values. It is noted to be primarily positivist and Western in orientation (Chapter 2).

The findings of the literature review led to the decision to conduct primary research about IM relationships using a significantly different research philosophy and methodology to that that was reviewed. I argue this is the best way of extending knowledge about international buyers and sellers. An interpretive and hermeneutically oriented study was selected. This decision,

Figure 1.1: Conceptual Research Framework



and site and sample criteria, are outlined in Chapter 3. In-depth interviews, covering a seven-month period are supplemented with discussions with local experts and a field assistant, and observations and the reading of local texts.

Data gathered from fieldwork in Indonesia is analysed using an iterative approach (Chapter 4). This systematic process begins with scene setting - to orient the reader to the environment in which the study takes place. Interpretation follows, beginning with identification of the key categories and themes underlying participants' stories about their buying and selling experiences. The key themes and plots of participants' stories are then explored in relation to existing IMR (Chapter 2). At the conclusion of this interpretation, discrepancies between both bodies of research are highlighted.

Chapter 5 examines the small business, entrepreneurial, and developing country literature, with the aim of gaining a fuller insight into the primary research findings. It is suggested that IMR is currently very Western and positivist, and that these characteristics do little to provide a clear understanding of international marketing situations that are significantly different to the normative scenario of big businesses, well educated managers, competitive environments, and individualistic, task focused individuals. A number of sociologically based theories are presented to that end and propositions presented for future IM relationship inquiry to help extend existing knowledge in this domain. It is also argued that IM research philosophies and methodologies need to be broadened and become more inclusive, if the complexities of the global marketplace are to be more fully understood.

CHAPTER 2

INTERNATIONAL MARKETING RELATIONSHIPS, AND BUYERS AND SELLERS

2.1 Introduction

This chapter examines the general questions that began this thesis namely, “Does international marketing research (IMR) have a human face? Are international buyer and seller relationships studied by international marketing (IM) scholars?” After these are explored more specific research queries and guidelines are considered to guide the primary research.

An overview of the IM literature is first provided. Attention then focuses on investigating IM relationships, specifically the characteristics of this body of research. It includes analysis of all studies with international marketing and buyers and sellers, or relationships; and international marketing interactions, or encounters; or cross-cultural buyers and sellers, in their titles or abstracts over a twenty-year period (1980-2000). Since so few studies in these categories were found, the review was extended to include international and domestic marketing research about culture, cognition, and communication. It was considered that this would help provide an insight into IM relationships as these three factors underpin all encounters.

In all, twenty-one IMR studies about buyers and sellers, and their relations were identified. These are analysed in a manner similar to the recent internationalisation review by Coviello & McAuley (1999). Research objectives,

methodologies, sites, respondents, and findings are noted (Table 2.2). After identification of these characteristics, the reasons for these trends are explored. This latter section draws on the ontological and philosophical discussions of a diverse range of scholars (Gronhaug & Olsen, 1999; Kavanagh, 1994; Hogner, 1997; Hunt & Banaji, 1988; Morisini, 1988; Munch, 1989; Ward, 1997). An overview of the marketing discipline's own philosophical debate, led by Hunt and Anderson, is also conducted here. In concluding this part of the literature analysis, IM relationship studies are re-examined to establish the core assumptions and values underlying this research (Table 2.4). These findings are then used to guide the selection of a suitable research philosophy and methodology(s) to extend the existing IM buyer and seller research.

Since the initial question that drove this research was to establish whether IM scholars had examined buyer-seller encounters or relationships, this review does not include research from other disciplinary areas in this domain. These are instead analysed in Chapter Five, to clearly identify the current state of IM relationship research. This includes a critique of the export marketing (Katsikeas & Al-Khalifa, 1993; Liang & Parkhe, 1997; Lee, 1998), and small business and entrepreneur literature (Coviello & McAuley, 1999; Coviello & Munro, 1995; Mayo, 1991).

2.2 International Marketing Research: an Overview

As early as 1981, Cavusgil and Nevin noted a growing interest in IMR. These, and later IM scholars (Albaum & Peterson, 1984; Aulakh & Kotabe, 1993; Bradley, 1987; Terpstra, 1987), nevertheless, observed that despite this development, research in this area was still fragmented and predominantly concerned with theory testing.

Some ten years after these comments were first made IM scholars were still making similar criticisms about this body of research (Mattison, 1997; Toyne & Nigh, 1997; Paliwoda, 1999; Samiee, 1997).

Samiee (1997) observed that between 1971 and 1990, IM marketing scholars primarily focused their research attention on management, export and import tasks, buying, consumer behaviour, the promotion and product mix, and issues surrounding standardisation, international distribution, and methodology. Of particular concern was the lack of academic identity in IM and that "...little effort had been made to provide it with conceptual, theoretical, and methodological legitimacy", (Samiee, 1997, p. 453).

Unlike Samiee (1997), Sheth (1997) did not consider IM warranted a separate conceptual framework to distinguish it from domestic marketing, although the narrow development of research in this area was observed. It was suggested that increasing technological developments would mean greater environmental convergence and that for marketing this would mean greater attention to global and cross-functional issues (Sheth, 1997, p. 561).

Mattsson (1997) made similar observations about the restricted focus of IMR, adding that it was predominantly marketing mix rather than relationship oriented, probably because the former was the normative approach in mainstream marketing circles and as it was often easier to operationalise. It was suggested that scholars'

interested in this needed to identify and discuss their research philosophies, thereby helping to broaden the confined nature of current IMR (Mattsson, 1997).

Cavusgil (1997) later commented on the IM overviews by Mattsson (1997), Samiee (1997), and Sheth (1997), but there was no complete agreement on how it should be developed. Gatignon (1997), for example, supported Sheth's (1997) view that IM and domestic marketing were different and should be treated as such. Inter-organisational research, globalisation and regionalisation issues, as mentioned by Mattsson (1997), Samiee (1997), and Sheth (1997), were all considered important topics for IM researchers to focus on. Cavusgil (1997) primarily addressed firm specific and managerial issues, and like Gatignon (1997) remained within the normative marketing mindset that seems to have delayed the growth of knowledge in this area.

In sum, IMR is still fragmented and lacks a clear direction - points Paliwoda (1999) again recently made. European scholars currently appear to be leading the way in extending IMR, with scholars such as Naude and Turnbull (1998) collaborating to provide a collection of cutting-edge papers about international relationships and networks. Despite these recent advances there is still urgent need for IM scholars to consider the relevance of their research to global business practices, and to establish a working framework for the development of their discipline.

In the following sections, IM and domestic marketing studies about culture, cognition, and communication are identified and analysed as it is considered that an examination of all three will provide a firm foundation from which to investigate international marketing relationships.

2.2.1 National and Organisational Culture, Values and Cultural Problems

International marketers have commonly defined culture as the mental programming of a group of people, based on their life and educational experiences (Graham, 1985; Williams, Han, & Qualls, 1998). Such definitions have been frequently based on the research of world-recognised cultural researcher Hofstede (1980). As Tse, Lee, Vertinsky, and Wehrung (1988, p. 82) observed, cultural characteristics suggest general tendencies or norms that group members may follow. These may be loosely or rigorously adopted, depending on the importance a group may place on a particular behaviour, as well as situational and personality variables. This view of culture is more dynamic and complex than that often adopted by IM scholars.

International marketing researchers have frequently treated culture as a national construct (Kale, 1996; Kale & Barnes, 1995; Kale & McIntyre, 1991), with the exception of Harich and La Bahn (1998), and Usunier (1996a). As the latter scholar observed countries were predominantly homogeneous in the past. Today the concept of 'culture as nation' does not reflect their composition. Technological, infrastructural, and economic advances have meant greater national heterogeneity. Harich and La Bahn (1998) considered national culture too broad a concept to help

explain business success. Instead they suggested business culture was as a more appropriate construct. This was defined as a group's preferred etiquette and procedures for conducting business.

Those conducting IMR need to think carefully before defining culture. In particular, it needs to be recognised that understandings of this concept have evolved considerably in the past decade, although Hofstede (1980) remains popular among these scholars¹ (Harich & La Bahn, 1998; Graham, 1985; Kale, 1996; Kale & Barnes, 1995; Kamins, Johnston, & Graham, 1998; Williams et al., 1998).

Hofstede (1980) described national culture as composed of uncertainty avoidance (UAI), individualism (IDV), power distance (PDI), and masculinity (MAI). Uncertainty avoidance (UAI) referred to the reactions of a group to environmental uncertainty. Weak UAI cultures were considered more likely to manage changing circumstances, while those in high UAI cultures were thought to find such situations stressful. For example, it was noted that Malaysians were less worried about uncertainty than Australians, while New Zealanders and Americans exhibited behaviours falling between these points. IM scholars, Tse et al. (1988) tested this characteristic and found that Canadian and Mainland Chinese executives' behaviours were as Hofstede (1980) predicted.

Individualism (IDV) was used to explain the degree to which members of a society were oriented toward their own needs or those of their group (Hofstede,

¹ For an extensive review of definitions of culture, see Boyacigiller and Adler (1997).

1980). In very individualistic cultures, like America and New Zealand, group ties were considered loose, and self-interest and personal freedom highly valued. In low IDV or collectivist cultures, like Malaysia and Indonesia, more emphasis was placed on the needs of the group (Hofstede, 1980). International marketing scholars, Tse et al. (1988) found support for these characteristics. Managers from the People's Republic of China were primarily concerned with long-term relations, face-saving², and deference to those of higher status in their group. Canadian managers were noted to be more concerned with functional issues, short term issues, and were less worried about reciprocity and others in their group.

Hofstede (1980) observed that individuals possess varying degrees of power, wealth and status. Power Distance (PDI) was the term coined to explain how societies dealt with these matters. New Zealand and Australia were considered low PDI countries, as they valued equity in the distribution of wealth and status, while Malaysia and Thailand were high PDI nations.

Using a simulation, IM scholars Kamins et al. (1998) observed the behaviour of Japanese managers negotiating with other Japanese and Americans. It was noted that Japanese to Japanese interactions exhibited high PDI behaviours. Senior group members were treated with deference and buyers were accorded more respect than sellers, because the latter were viewed as having a more servile role. In-group American managers' behaviours were described as low PDI, similar to Hofstede's (1980) findings. American managers dealt with each other equitably. Power or status

² Face-saving is an Asian value. Face may be lost or gained. The closest English equivalent for this is public reputation, shame, or conformity (Wong, 1986, 183).

issues did pervade these encounters. American and Japanese managers did not behave in an identical manner in in-group and out-group situations. Thus, while Hofstede's cultural framework has been adopted many times by marketing scholars, this study was important because it made the latter point.

The only other IM researchers who have considered whether there were differences in in-group and out-group behaviours were Katsikeas (1992) and Tse et al. (1988). The former also found that in-group relations were more problematic than those with insiders. The most obvious explanation for this observation is that while many IM investigations have involved experiments or management students as respondents, Katsikeas (1992) investigated actual marketing managers in the field. This issue is explored in more detail later in this chapter.

Masculinity (MAS) was the final cultural dimension from Hofstede's (1980) original research. Masculine cultures were believed to emphasise assertiveness, material possessions, and personal achievement. More feminine cultures were described as more nurturing and caring. Americans and New Zealanders typified the former, while Indonesians and Malaysians were described as more feminine (Hofstede, 1980). In a conceptual paper, Kale and McIntyre (1991) postulated that IM managers from high MAS cultures were likely to be quite aggressive and assertive in negotiations, while managers from more feminine cultures (low MAS) were expected to be more co-operative. Such differences in behaviour, these scholars further suggested, would probably mean friction when both groups interacted. This supposition is at odds with the observations of Kamins et al. (1998),

Katsikeas (1992), and Tse et al. (1988) that in-group and out-group behaviours were not identical.

A fifth dimension, long-term orientation, was added to Hofstede's (1980) four original characteristics (Hofstede & Bond, 1988). IM research has yet to consider this construct, apart from (Kale, 1996). Long-term orientation refers to a culture's consideration of future issues as opposed to a shorter time frame. Marketing scholars may have overlooked this dimension because empirical and conceptual support for it has been mixed.

While the Hofstede framework (1980) has been very popular among IM scholars, a few of this group of scholars (Campbell, Graham, Jolibert & Meissner, 1988; Kamins et al., 1998; Usunier, 1996a) examined the impact of cultural values on IM. For example, Usunier (1996a p. 76) suggested that while Hofstede's framework (1980) was relevant to IM because its stability had been frequently tested and had been held to be true, a values-based approach was more appropriate as it provided a clearer understanding of behaviours and world views.

Values are deep-seated, often subconscious, beliefs that guide actions and thoughts. In general they refer to what a group considers important or unimportant, and good or bad. Further, while they are believed to be more stable than attitudes, it is believed that some values are still prone to change (Usunier, 1996a). Tse et al. (1988) found this to be true. In a study of Mainland Chinese and Hong Kong managers, the former exhibited more traditional Chinese beliefs while the latter

group displayed a mix of Eastern and Western ways. It was suggested that these differences could be related to the international business exposure of Hong Kong managers and the limited intercultural experiences of the former group.

Table 2.1 overviews many of the cultural values identified by IM scholars as likely to influence marketing behaviours. While IM researchers have commonly used a Western-Eastern dichotomy to explain value differences in marketing behaviours, this oversimplifies many situations. Certainly, a Western-Eastern construct is a useful starting point. Ethnicity or major reference group affiliation may be more concise and valuable behavioural indicators.

In reviewing the IM literature about culture it became apparent that a significant number of scholars viewed international marketing as implicitly or explicitly problematic because of cultural differences (Kale & McIntyre, 1991; Sheth, 1983; Tse et al., 1988; Williams et al., 1998). For example, Williams et al. (1998, p. 134) argued that the difficulties inherent in international business could be attributed to a dissimilarity in cultural values because otherwise relations appear, “structurally and contractually sound”. “Appear”, however, is a rather subjective term and not explained by these researchers.

Table 2.1: International Marketing and Cultural Values

EASTERN	WESTERN
Horizontal, long-term, hierarchical relations	Vertical, specific, shorter term relations
High context, implicit communication	Low context, explicit communication
Seller assumes more subservient role	Buyer-seller roles more egalitarian and competitive
Concern for collective good, reciprocity	Individualistic, task focus, competitive
Situational factors maybe important in negotiations	Situational factors less important than task-focus
Formal, rituals important	Informal
Time flexible (polychronic), plans are loose, flexible	Time is money (monochronic), can be lost, plans in detail
Information – first priority respect	Information accuracy important.
Accept environment, fit with it, fatalistic	Try to control, manage environment.
Preference for authoritarian d-making (hierarchy)	Preference for participative decision-making and delegation of responsibility
Pan-ethical d-making, social objectives important	Utilitarian decision-making, freedom of choice important
Face-saving, respect/dignity, very important. Foster harmony	Personal/individualistic focus to dignity and shame
Subordinates follow orders, seldom questioning	Subordinates accept responsibility, consensus important
Social bonding first, then structural bonding in relationships	Structural bonding first, then social bonding in relationships
Contracts flexible, relationships more important	Contracts legally binding, more important than relationships
Importance of context in negotiations	Context not critical in negotiations process
Emphasis on information sharing, developing trust/rapport before task	Emphasis on tasks, then relations in B-S negotiations
Centralised decision-making	Decentralised decision-making
Societal or group achievements rewarded	Personal achievement encouraged

Source: Campbell et al. (1988); Kamins et al. (1988); Tse et al. (1998); Sheth (1983); Wong (1986).

Many IM scholars investigating culture have developed conceptual studies or conducted experiments. Harich and La Bahn (1998); Katsikeas (1992); and Lee (1989) are exceptions in this regard, instead exploring the impact of culture on real international marketing practitioners. The former scholars observed that dependability, customer focus, communications, and the cultural sensitivity of foreign associates influenced managers' satisfaction with their international relationship. Only the last of these characteristics directly relates to culture. Further, Katsikeas (1992) noted that conflict was more common in domestic marketing situations than in international ones. This was attributed to the intensity of the former relations, and the more infrequent and piecemeal nature of the latter.

There appears to be a considerable difference in the focus and expectations of those adopting conceptual and experimental IM studies of culture and those few researchers conducting field surveys of marketing managers. In the former, culture is assumed to be the villain, while in the latter it was not found to be pivotal to the success of IM relations.

Seeing culture as inherently problematic does not seem to be a valid assumption. It may be more useful to consider the impact of managers' actions on IM situations, especially their attitudes toward dealing with unfamiliar situations and with those outside their group.

IM scholars have predominantly dealt with culture at a national level as previously observed. Only Kale (1996) was found to have considered the impact of

organisational culture (OC) on IM. National and organisational culture and personality were conceptualised as influencing international buyer and seller relations. References to OC were based on the research of management scholar, Reynolds (1986).

A similar observation can be made about Kale's (1996) use of Reynold's (1986) OC construct, as was made about IM academics use of Hofstede (1980). Studies in both areas have evolved considerably in recent years. For example, in organisational behaviour research it is now recognised that there are likely to be a number of subcultures, rather than any single culture, in any organisation. Further, Kale (1996), like IM scholars adopting Hofstede (1980), borrowed selectively from Reynold's (1986) investigation. For example, only five of fifteen OC dimensions were selected for use. Neither group of academics has offered any explanation for such selective borrowing.

Kale (1996) adopted the constructs external versus internal orientation, task versus social focus, a concern for conformity or individuality, and ad hockery versus planning. Reynold's (1986) other dimensions, including individual versus collective decision-making, and informal versus formal procedures were completely ignored.

No other IM studies were found that directly considered the influence of OC on international buyer and seller encounters. Harich and La Bahn (1998) and Williams et al. (1998) conducted an investigation that indirectly appears to support several of Reynold's (1986) constructs. The former found that Mexican

businesspeople were worried about their American associates' lack of support for their sales representative. This may be related to Reynold's (1986) internal versus external orientation or ad hocery versus planning, although explanations for Mexican managers' concerns were not detailed enough for these explanations to be confirmed. Williams et al. (1998) also observed that managers from collectivist cultures developed social bonds before concerning themselves with tasks. Managers from individualistic countries adopted the opposite approach. These findings confirm what Hofstede (1980) and many others have already tested and confirmed (Usunier, 1996b). Parallels can also be drawn with Reynold's (1986) conformity-individuality and task-social dimensions, although no IM scholars have made these links.

2.2.2 IMR and Culture: a Summary

Several factors seem to characterise the IMR about culture.

- The cultural framework of Hofstede (1980) has been very popular but has been accessed and tested in very a piecemeal way. Little thought has also been given to the implications of transferring it across twenty years and into different environments.
- IMR conceptualisations and experiments about culture where the most common methodologies.
- Only a few IM scholars have studies the influence of culture on IM practitioners.
- IM academics have predominantly viewed culture as problematic.

- National culture has been the preferred level of culture that has been studied. Definitions of this that have been utilised by IM researchers are rather outdated in terms of developments of the construct in the past decade.
- The only other levels of culture considered were organisational and business culture, but this involved a small number of IM scholars only concerned with the conceptualisation of culture.
- Value based research was considered an alternative way to understand IM behaviour by a few scholars.

In the next sections IMR about cognition, communication, and their interrelationship with culture are explored. As so few such studies were found, this section of the IM literature analysis was extended to include domestic marketing research in these areas.

2.2.3 Marketing and Cognition

International marketing researchers have not specifically examined cognition as it relates to international marketplace behaviours, except indirectly. For this reason, and because domestic marketing researchers had noted its critical role as an influencer on behaviour, literature in this area is also considered here.

Consumer behaviour scholars (John & Whitney, 1982; Peracchio & Tybout, 1996; Stayman, Alden, & Smith, 1992), channel researchers (Hakkio & Laaksonen, 1998; Taylor, Cronin, & Hansen, 1991), and scholars interested in sales performance measures (Leigh & McGraw, 1986; Leong, Busch, & John, 1989; Syzmanski &

Churchill, 1990), have examined cognition. Each has have borrowed heavily from social and cognitive psychology.

Leigh and Rethans (1984), Leigh and McGraw (1986), Szymanski and Churchill (1990), Taylor et al. (1991), and Weitz, Sujan, and Sujan (1986) explored cognitive categories identified as schema and scripts. It was noted that these assist speed up the sorting, filing and storage of incoming data in memory. Scripts were described as general mental structures containing information about what a person has experienced or knows about a topic or event. Schemas are a sub-category of scripts that relate to the likely sequencing of events (Taylor et al., 1991, p. 15). For example, fast-food restaurants are commonplace in New Zealand so New Zealanders would typically hold schema and scripts about these establishments. Leigh and McGraw (1986) and Leong et al. (1989) noted that more experienced salespeople had quite detailed scripts. The depth and breadth of their mental categories were observed to help them take appropriate action. Peracchio and Tybout (1996) elaborated, stating that cognitive categories signal incoming information thus aiding its processing.

Heide and John (1992); Szymanski and Churchill (1990); and Hakkio and Laaksonen (1998) examined the relationships between signals in memory, and group rules and norms. Norms were defined as, "...expectations about behaviour that are at least partially shared by a group of decision-makers", (Heide and John, 1992, p. 34), while rules were identified as similar but formal guidelines for how group members should act. For example, if rules were breached a group would likely

sanction a member whereas norms were noted to be more implicit and less likely to be formally disapproved of (Usunier, 1996a, p. 92).

Broadly speaking then, to navigate safely and successfully in the world, all individuals internalise environmental stimuli through their senses, give these signals meaning, then sort them into a variety of places in memory for use immediately or later on. This internal processing is called cognition and the meaning attached to incoming signals is called perception. An individual's perception is influenced by their values, beliefs, and attitudes. These, in turn, are influenced by their upbringing. Thus, while cognitive processing is a universal process, culture influences how this is carried out.

No IM scholars were found to have directly focused on the influence of cognition on IM relationship, or buyers and sellers. Harich and La Bahn (1998, p. 90) did comment that the Mexican buyers they spoke to felt their North American suppliers viewed them as 'farm-dwellers wearing big hats'. While this comment is not discussed in this study, it is implied that the study's Mexican respondents were not impressed by the perceived stereotypical attitude of their American partners towards them. Stereotyping is a common cognitive process, used when an individual has insufficient internal information to make well-informed decisions.

2.2.4 IMR and Cognition: a Summary

While cognitive categories have been quite well researched in consumer and sales-oriented marketing, these have not been considered in IMR. Further, even in the domestic research in this area, studies of cognition were found to:

- be primarily consumer or sales focused, concerned with improving sales performance;
- have treated cognitive processing in a fragmented way, commonly testing existing knowledge about aspects of mental processing. For example, isolating cognitive categories, like scripts (Leong et al., 1989; Taylor et al., 1991);
- have overlooked the complex and simultaneous nature of cognitive processing. For example, that group rules and personal attitudes, schema, and perceptions are likely to be activated simultaneously when thinking occurs;
- have implicitly assumed that cognition is an internal process. Researchers from outside the discipline, however, have noted that it is not merely an internal process, but a social activity as well - done in relation to reference groups (Duncan & Moriarty, 1998; Hakkio & Laaksonen, 1998)

Treating behaviour in a simple or generalised way, however, has made a number of individuals quite successful. For example, there are numerous, “how to do business,” books written to help the novice international marketing or management practitioner (Gesteland, 1997; Irwin & More, 1994). These usually provide guidelines of do's and don'ts for managing effectively in foreign

environments. Despite their popularity, they are often based on the perceptions of expatriates or travellers about other cultural groups.

2.2.5 Marketing and Communication

Communication is central to all activities, despite this there is a noted absence of IMR on this topic. Domestic marketing studies about communication were thus also analysed here to provide a better understanding of factors that may potentially influence IM relations.

Marketing researchers have been interested in the role of communication in marketing for more than a decade. Sheth (1976) provided one of the earliest conceptualisations, exploring the content and style, the 'what' and 'how,' of communication.

Many marketing scholars have built on the model of Sheth (1976), particularly in relation to sales performance and sales management (Levy & Zaltman, 1975; Willett & Pennington, 1966; Levitt, 1965). These scholars predominantly focused on the content of communication rather than its style.

More recently marketing researchers such as Duncan and Moriarty (1998), Elam (1992), and Hakkio and Laaksonen (1998) have broadened their investigations of marketing communications. Elam (1992), and Hakkio and Laaksonen (1998), for example, noted that problems arise in communication episodes when a receiver does not understand the communication content or style, and that common sender and

receiver knowledge is more conducive to communication success. Usunier (1996b) noted that age, gender, group position, personality, and personal intentions, can create problems in communication, although the adaptability and prior experience of a communicator were thought to assist overcome many differences (Boorum, Goolsby, & Ramsey, 1998).

Another model of communication developed in marketing was outlined by Williams and Spiro (1985), although it has often been overlooked by marketing scholars. They suggested that implicit rules and codes of conduct guide communication, as well as content and style. This more extensive communication model has obvious links with the cognitive concepts outlined in the previous section, although Williams and Spiro (1985) did not consider these.

Research about marketing communications has evolved from that first presented by Sheth (1976). As Duncan and Moriarty (1998), and Hakkio and Laaksonen (1998) noted it has shifted from a one-way, manipulative approach to communication as 'the sharing of meaning'. Communication thus is more commonly now viewed as two-way and procedural. This understanding of communication is explored in a later section.

International marketing scholars have predominantly dealt with communication in relation to relationships between buyers and sellers. As these are both of central concern to the broad research questions outlined at the start of this thesis, these topics are critically analysed in the next section of this chapter (Section

2.3). First, however, the existing research about marketing and communication is overviewed.

2.2.6 IMR and Communication: a Summary

The content of communication and its impact on sales performance and consumer decision-making have been of prime concern to marketing scholars. As with the culture and cognition literature, it was found that these studies tended to focus on the aspects of communication that were more tangible and thus easier to observe, explain, and measure. More recent marketing scholars have observed the following points about communication.

- It means more than understanding what one person is trying to communicate. It involves the sharing of meaning (Elam, 1992; Hakkio & Laaksonen, 1998; Duncan & Moriarty, 1998).
- Communication studies should consider what (content) and how (the style) information is shared.
- Other factors, such as age, personality, gender, prior experience, and prior knowledge, impact communication episodes.
- Communication is not a two-way process. It is transformational, in that senders and receivers communicate simultaneously, both verbally and non-verbally, decoding and attributing incoming signals with meaning at the same time.

2.3 International Marketing Relationships – Theoretical

Developments

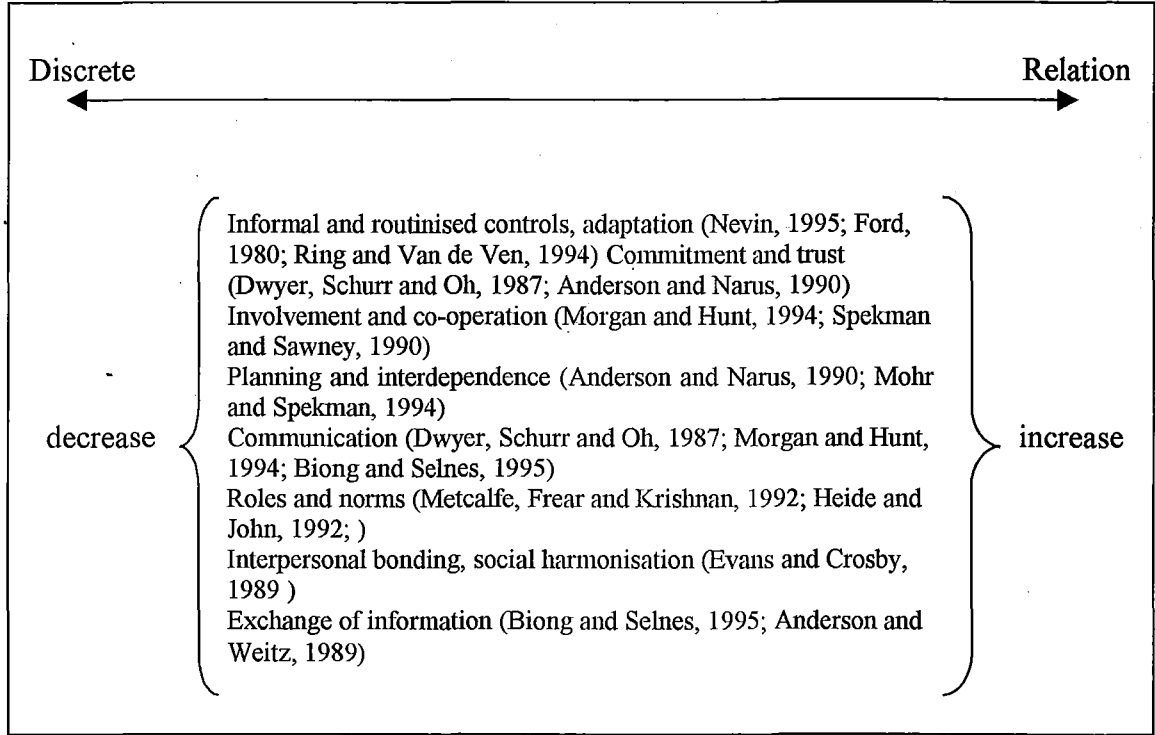
In this section attention focuses entirely on identifying and systematically analysing IMR about relationships, and buyers and sellers. Prior to this step, however, domestic marketing research relevant to these areas and the theoretical bases of this were explored to provide a sound understanding of this area.

There has been a gradual but significant shift in marketing research from an examination of discrete transactions and a one-way manipulative approach in marketing to a more relational approach (Fontenot & Wilson, 1997; Naude & Turnbull, 1998; Webster, 1992; Weitz & Jap, 1995). Figure 2.1 provides a broad overview of some of the literature here.

At the far left of the continuum are discrete transactions – typically characterised as opportunistic, economically oriented, and concerned with power and control (Bagozzi, 1978; Dwyer & Walker, 1981; Frazier, 1983). As Webster (1992) observed, one-off exchanges are not that common, most managers preferring the degree of familiarity that comes with repeat interactions. Anderson and Weitz (1989) also noted the domination and manipulation of one party by another, as was implicit in earlier marketing research, is today not considered an appropriate way to gain and keep customers or partners. Fair trade practices, increased competition, and the information and technology highways have revolutionised what is expected of businesses and marketers. Achieving mutual benefits and building trust in relations are now more the norm.

The first sign of a shift in marketing scholars' thinking began during the 1980s with academics and practitioners such as Anderson and Narus (1990), Ford (1980), Schurr and Ozanne (1985), and others in the International and Industrial Marketing

Figure 2.1: The Exchange-Relationship Continuum:



and Purchasing Group (IMP). All of whom were interested in business to business marketing. These scholars and others, including Metcalfe, Frear, and Krishnan (1992), observed that as business exchanges increased in frequency and became more routine, risk and uncertainty were lowered, and reciprocity and a greater flexibility in interactions began, thus providing greater business success. Interactions were viewed as a central way of achieving these things, rather than marketing mix manipulation.

In the last decade, in particular, studies about marketing relationships have grown considerably (Naude & Turnbull, 1998). This situation is depicted to the right of Figure 2.1. This research includes studies of the interdependence of organisations (Berry, 1995; Fontenot & Wilson 1997; Gronroos, 1995), the role of rules and norms in guiding interactions and minimising conflict (Heide & John, 1992; Nevin, 1995), the importance of trust and commitment (Dwyer, Schurr & Oh, 1987; Fontenot & Wilson, 1997; Morgan & Hunt, 1994), the impact of controls and adaptability (Ford, 1980; Nevin, 1995; Ring & van de Ven, 1994), the importance of information exchange (Anderson & Weitz, 1989; Biong & Selnes, 1995), and interpersonal bonding and social harmonisation (Evans & Crosby, 1989; Fontenot & Wilson, 1995).

Cheung and Turnbull (1998, pp. 42-43) noted, that despite the significant attention focused by marketing scholars on relationships in the past decade, this area has seldom been discussed systematically, has imprecise definitions; and has not considered inter-organisational characteristics. In sum, the overall picture provided is confused, although marketing scholars agree that inter-organisational relations have five broad characteristics:

- multi-dimensional - because of multi-functional needs;
- directional - because of the need for both independence and interdependence, as well as because of other relationship demands;
- structured – because relations need structures or mechanisms to achieve their mutual goals;

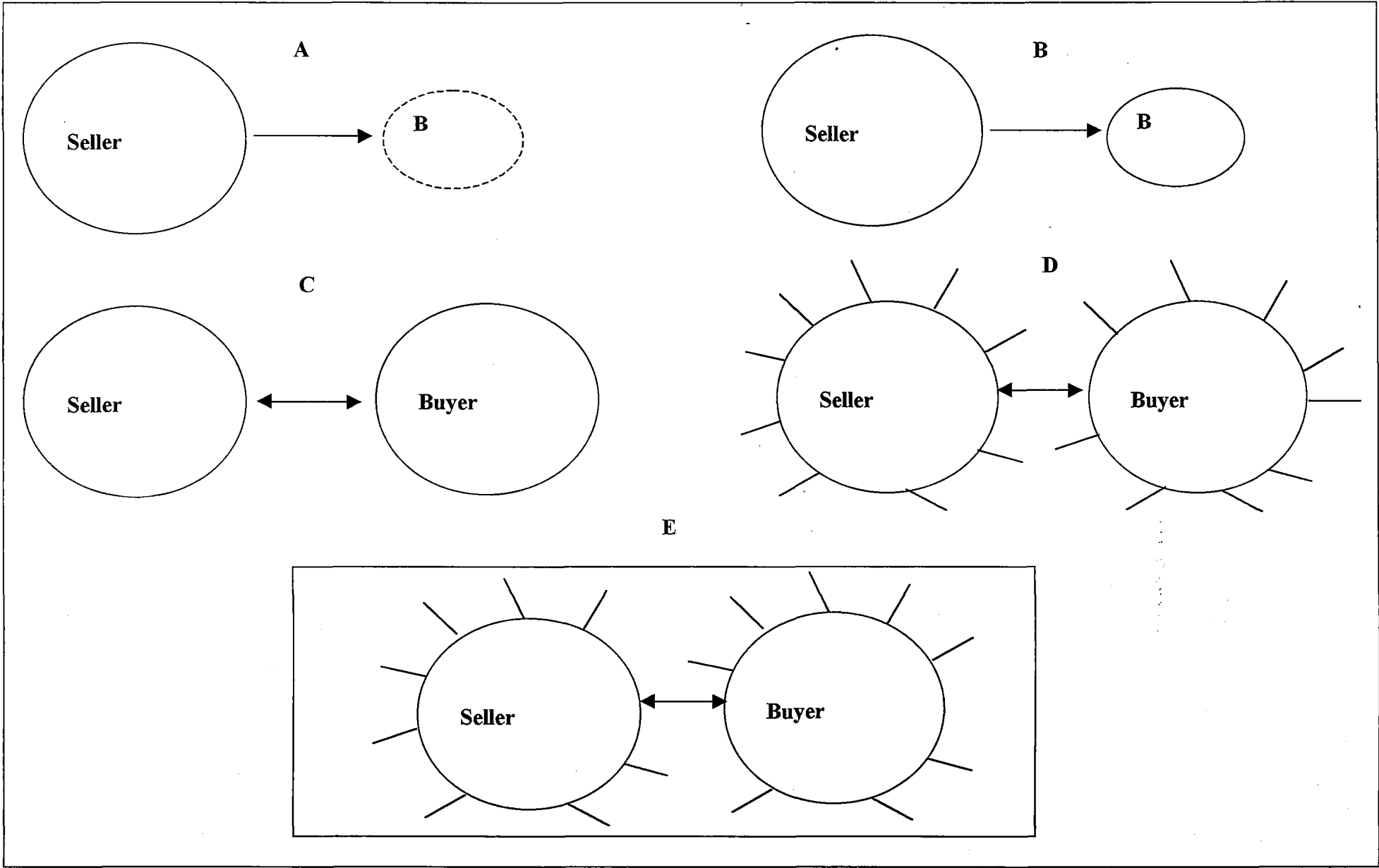
- varied – because different relations require various degrees of closeness, intensity, commitment, importance and strength; and
- evolutionary – because over time they learn from each other, change their needs or focus, and change the way they cooperate (Cheung & Turnbull, 1998, pp. 47-54).

In terms of specific characteristics, marketing researchers have observed that organisational adaptability, prior experience, degree of common knowledge, personality issues, and demographic elements are important elements in understanding marketing relationships (Cheung & Turnbull, 1998, p. 46).

Another way of viewing this shift in marketing scholars' attention, from one-way manipulative studies to relationships, is depicted in Figure 2.2. Here 'A' is the traditional marketing view of exchanges - one-way events. This is illustrated by the large seller circle, one-way arrow, and smaller, broken circle, denoting that a buyer is present but not really considered by marketing scholars. The changes in many marketing scholars' thinking, toward consideration of buyer needs and profiles, is illustrated at 'B'. Here researchers are still mainly concerned with managing sales and purchasing, however, there was some consideration of buyers. This is illustrated with 'B', still the same sized circle as before, although it is now closed. The one-way arrow also remains, illustrating that 'B' was still being given less attention than 'A'. In 'C', a stronger shift in researchers' attention toward the buyer is illustrated, as was common among the IMP group. This interaction focus is represented by two

large closed circles, with 'A' and 'B' identical. A two-way arrow, representing exchange equality has also replaced the one-way arrows depicted at 'A' and 'B'.

Figure 2.2: Evolution in Marketing Thinking: Toward a Contextual Approach



A more recent development - business networks in marketing (Achrol, 1997; da Rocha, Arkader, & Barretto, 1993; Dana, 2000a; de Burca & McLoughlin, 1998; Holm, Eriksson, and Johanson, 1999; Ford, 1980; Jones, Hesterly, & Borgatti, 1997; Larson, 1992; Naude & Turnbull, 1998) is illustrated at 'D'. Here two closed circles of the same size, with spokes leading out of each, show an organisation must manage a number of business relations and, further, dyadic relationships have to be considered in light of these.

In short, a network is a pattern of relationships describing the ties of a composite of numerous actors. The analysis of business networks focuses on the relationships developed between different business partners and not only their dyadic parties (Cheung & Turnbull, 1998, p. 45).

Network marketing originated from the Industrial Marketing and Purchasing Group (IMP). This loose collection of scholars expanded the traditional marketing exchange concept and applied it to the network of business links that exist in industrial situations. There is a growing body of research now in this area.

If one was to predict further developments in this area, it would seem realistic to assume that marketing academics may broaden their focus yet again and investigate the wider context in which marketing occurs, such as the impact of the extended family or village network. Such a scenario is depicted at 'E' (Figure 2.2).

2.3.1 The Relationship Development Process

As studies of business' interactions, relationships, and networks have become more popular, so too have investigations of their development and processes. These have all tried to understand relationship dynamics, something that had been missing from traditional marketing studies (Halinen, 1998, p. 113). While numerous industrial, distribution, and services marketing models have been proposed, only buyer-seller related conceptualisations are examined here.

Dwyer et al. (1987), Ford (1980), and Wilson (1995) have all proposed relationship development models that can be related to business to business interactions (Figure 2.3). All four scholars observed that marketing relations typically move through four or five phases, although it is acknowledged that they do not all inevitably proceed in this way. For example, environmental or personality factors may hinder commitment, forcing parties to re-evaluate their next step. These scholars further believed that a common understanding or culture was required for meaningful relations to advance. This was likened to courtship, friendship, or marriage (Wilson, 1995, p. 337). Once a high level of interaction was achieved, termination and switching costs were commonly considered prohibitive (Dwyer et al., 1987). Other scholars, including Valla (1986), Ford and Rosson (1982), Frazier (1983) and Liljegren (1988) have provided business to business relationship models. These are not presented here as the four models outlined in Figure 2.3 were considered representative of this research. For example, Valla's (1986) research is similar to that of Ford (1980), as was that of Liljegren (1988). The differences in the models represented in Figure 2.3 are as follows.

- In Ford's (1980) model, change is central to relationship development.

- Dwyer et al. (1987) drew upon the social psychology literature for their framework.
- Wilson (1995) brought together the change perspective and the social social/psychological approach in an expanded model.
- All four models express a procedural and linear treatment of relationships. Stages that they evolve through were identified, as were factors hindering their development.

As Halinen (1998, p. 118) observed, while a considerable amount of research has been done in this domain, relationship models need to be integrated and moved beyond a life-cycle approach. It is also argued that it is improbable that relationships between companies develop intrinsically as existing models suggest. Instead, it is believed, they evolve consciously, driven by the exchange parties. This view of relationships requires constructive rather than prescriptive theories (Halinen, 1998).

Now that an overview of domestic buyer-seller relationship research has been completed, IMR about relationships, and buyers and sellers is systematically analysed.

Figure 2.3: The Relationship Development Process

	Representative Research		
	Ford (1980)	Dwyer et al., (1987)	Wilson (1995)
Stages of Relationship Development Process ↓ ↓ ↓ ↓ ↓	Pre-relationship ↓ Early stage ↓ Developmental stage ↓ Long-term stage ↓ Final stage ↓ ↓	Awareness ↓ Exploration attraction ↓ Communication And bargaining ↓ Exercise of Power, norm And expectation development ↓ Expansion ↓ Commitment inputs durability ↓ Dissolution consistency	Search and selection ↓ Defining purpose ↓ Boundary definition ↓ Creating relationship value ↓ Hybrid stability
Premises and Implications	<ul style="list-style-type: none">▪ Not an inevitable process▪ Influenced by uncertainty, experience, distance, and commitment.▪ Markets should be viewed as networks of relationships▪ Marketers' task is to manage relationships not manipulate marketing mix▪ Relationships should be managed with regard to costs and benefits	<ul style="list-style-type: none">▪ Similar to courtship and marriage▪ Influenced by perceptions of costs and benefits, commitment, interdependency, distance switching costs, and uncertainty▪ Disengagement from high interdependency is complex and costly▪ Power, bargaining and trust are dyadic concepts	<ul style="list-style-type: none">▪ Develops Dwyer et al., (1987) model.▪ Relationships have an active and latent phase. These are activated by environ., forces or participants▪ Relations need a common culture in order to develop. This acts as a foundation for understanding

2.3.2 IMR Relationships, and Buyers and Sellers

Table 2.2 provides an overview of the international relationship, and buyer-seller literature in marketing. As was noted in Section 2.1, to be eligible for this critique, a search was made for all studies with international marketing, and buyers and sellers, or relationships; international marketing interactions, encounters, or cross-cultural buyers and sellers in their titles or abstracts between 1980-2000. This meant international business studies (Graham, Mintu & Rodgers, 1994; Graham & Mintu-Wimsatt, 1997), the import-export literature (Bell, Murray, & Madden, 1997; Lee, 1998; Liang & Parkhe, 1997; Ramaseshan & Patton, 1994; Styles & Ambler, 1994), and small business research (Coviello & Munro, 1995; Mayo, 1991;) were excluded as they were not identified in this search. This literature will be drawn upon on in Chapter 5 to assist in providing answers to the primary research findings that may not be able to be explained by existing IMR. It is also anticipated that this extended review will help identify ways in which existing IMR about relationships could be expanded.

A total of twenty-one studies in this area were found. Following the style of Coviello and McAuley (1999) this body of research was systematically analysed.

Table 2.2: International Marketing Relationship Research

Author/Journal/ Book	Objectives/Method/Theory	Findings/Analysis	Country/Site and Industry
Katsikeas & Kaleka (1999) Industrial Marketing Management	Examined firm's motives to import (as exporting mainly researched). Examined factors impacting regular and sporadic importers. Mail survey.	Management role crucial in driving importing Product and relationship characteristics, and competitive pricing also stimulated importing. Re-iterated the need for attention to relationship management	USA-UK Distributors and industrial export manufacturers
Witkowski & Thibodeau (1999) Journal of Business Research	Qualitative investigation of personal bonding process, as experienced by small-medium sized businesses. Owner-managers interviewed. Descriptive study of personal bonding	Different respondents assign different meanings to the concepts of friendliness, comfort level and trust. Some cultural tendencies may inhibit personal bonding processes	USA Component parts manufacturing, import-export, general and industrial trading
Kamins, M.A., Johnston, W. & Graham, J. (1998) Journal of International Marketing	Examined moderating effects of culture on B/S relations. Systematic demonstration of cultural differences. Importance of situational factors, status and role in negotiations. Simulation using well-educated business people from a large company in a negotiation role-play.	Culture moderates B-S relations, Role and status are important in Japanese society, B behaved differently than S, Standard informal, egalitarian American values may make Japanese partners uncomfortable causing relational difficulties , Need for Americans to adjust their style to better fit hierarchical Japanese society.	Japan and USA Retailer , distributors and agents
Williams, D. J., Han, S.L. & Qualls, W.J. (1998) Journal of Business Research	Determine antecedent variables contributing to cross-national business relations (re commitment). Develop model of social and structural bonding as antecedents to performance. Self-administered survey of executive students Tested Hofstede	Social and structural bonding positively related to commitment, Collectivist countries valued social bonding, Structural bonding valued by individualistic countries.	China, Germany, Jamaica, USA, Costa Rica (No industry indicated)
Harich, R. K. & LaBahn, W. D. (1998) Journal of Business Research	Defined cultural sensitivity (CS) and operationalised it Advance theory; focus on importer perceptions (p. 88) Executives in large companies. Used phone survey (p. 88)	Customer perceptions of international salespeople considered dependability, customer orientation, communication, effectiveness and cultural sensitivity important,	USA, Mexico Consumer Products
Kale, S. (1996) International Business Negotiations	Understand how national and org. culture, and personality impact international selling Develop a typology and measures for these. Cross-national selling framework, Conceptual research	Developed framework for understanding how national and organisation culture and personality impacts international selling	
Mintu-Wimsatt and Gassenheimer (1996) European Journal of Marketing	Examine cross-cultural dyadic sales interactions, seller focus as usually overlooked. Examine seller's co-operative behaviours, and pre negotiation and negotiation cues between cultures. Mail survey..	Sellers' perspective usually overlooked in research. Pre negotiation and during negotiation cues differed between USA and Philippine sellers. Shouldn't assume sellers universally influenced, different decision-making and bargaining practices in different cultures.	American Filipino Industrial exporters
Kale, S. H., & Barnes, J. W. (1995) Cross-cultural Management	To develop and explain a conceptual framework of national organisational culture, and personality on dyadic sales encounters. Conceptual research.	Framework of impact of national and organisational culture and personality on international sales dyads Flowchart of cross-national selling, Conceptual research.	Marketing

Author/Journal/ Book	Objectives/Method/Theory	Findings/Analysis	Country/Site and Industry
Kale, S.H. (1993) American Marketing Association	To provide conceptual schema to understand cross-cultural selling, Provide typology to evaluate, measure and analyse culture Conceptual research	Conceptual schema of cross-cultural interactions in face to face selling	(No country indicated) (No industry indicated)
Katsikeas, C. (1992) Journal of Marketing Management	Examined character of conflictual processes in domestic (developed) B-S relationships and I-E (developed-developing) relations Survey to developed (DC) and LDC (less DC) mgmt via personal interviews	Export-import (EI) relations not characterised by higher conflict. No significant differences in conflict between domestic buyers-sellers and import-exporters. On average, domestic B-S had more conflict than EI relations (p. 371) Well-defined responsibilities between export- import so less conflict (p. 373) EI infrequent communication., domestic frequent. Probably why latter more conflict	Greece, UK Wide variety of consumer and industrial goods
Egan, L.M. & Mody, A. (1992) World Development	Understand and describe B/S links in export development. Practical, not research based. Personal interviews conducted.	LDC, newly industrialising countries (NIC), and DC trends. NIC sourcing LDC for DC companies. DC companies want NIC company to find, manage and train LDC companies. Price, quality and delivery basic minimum DC company requires. Ideal relationship long-term, direct, stable, ideal suppliers-"right attitude"	USA and LDC/ NIE Bicycle and Footwear
Kale, S.H. & McIntyre, P.R. (1991) International Marketing Review	Build conceptual framework to understand how channel relations likely vary across national cultures Examine impact of Hofstede characteristics on relations (p. 34), personal interviews. Conceptual research.	Model of impact national culture on channel relations Examined Hofstede characteristics and impact on CR, developed propositions,	India, USA, Singapore, Germany, Malaysia Tungsten- carbide, tools, publishing, electronics
Frazier, L. G. & Kale, S.H. (1989) International Marketing Review	Build conceptual framework Establish how relationships likely to vary in different markets and countries Limited, initial framework (p. 9), theory building, Conceptual	Build conceptual framework of channel structure across markets and countries, differences between B-S markets Acknowledge need to include cultural factors but limited attention to these.	Developed and less developed country channel relations (No industry Indicated)
Frazier, G.L., Gill, J.D. & Kale, S.H. (1989) Journal of Marketing	Examine dependence, reciprocal actions in distribution channels to develop conceptual model. Looks at in relation to developing country channel, since context likely important and research mainly examined developed countries. Personal structured survey.	Structure, and nature of industry environment impacts channel relations. Channel theory needs a contingency approach to account for different contexts ie Reciprocal action theory did not apply in different environment. Need to move beyond domestic studies, especially needed in developing countries.	India Tungsten- carbide Tools
Lee, K. (1989) Global Business: Asia-Pacific Dimensions	Examine how culture impacts China-USA trade Mail survey of exec. In large company	Cultural differences/similarities impact USA trade with China Overseas Chinese can assist bridge cultural gap for US companies, but also negative cultural effects related to expectations.	USA, Hong Kong, China (No industry indicated)
Ghuri, P.N. (1988) Industrial Marketing Management	Examine capital, management, and technology package deals from developed to developing countries. Case studies of negotiations between same and different cultures, and what influenced this process.	Negotiations with strangers take longer. Unfamiliarity with environment caused difficulties, as did those with state-owned companies (little autonomy). Relations typically unbalanced, and this influenced how negotiations evolved. The shorter the negotiations the less conflict.	Sweden India Nigeria Pulp and paper, and electric power systems

Graham, J.L, Kim, L.D., Lin, C.Y. & Robinson, M. (1988) Journal of Consumer Research	To determine if face-to-face negotiation processes vary across Asian cultures (p. 48) To establish the validity of generalisations about oriental behaviour (p. 48) Simulation of executive students, large company through negotiation role-play	Problem solving approach (PSA) showed higher profit in USA-USA negotiations. Little reciprocity in USA-USA negotiations. Chinese-Chinese negotiations used competitive strategies. Interpersonal attraction important. Jap-Jap negotiations deference to buyer and personal attractiveness important, PSA too. Korean-Koreans negotiations reveal buyers do better and higher status. Many generalisations about cultures noted.	America, Japan, Korea and China (No industry indicated)
Tse, Lee, Vertinsky & Werhung (1988) Journal of Marketing	Examined impact of culture on decision-making in risky situations, and intercultural exposure, learning and interdependence on d-making, Simulation of executives in large company through negotiation role-play.	Cultural differences affect decisions, In PRC (Mainland China) values influence decision-making (fatalistic, long-term orientation, restricted competition, respect for leaders. Canadian (Western) values affect decision-making, Impact of globalisation on cultural values not even, some values persist more than others do.	Canada, Hong Kong and China (PRC) (No industry indicated)
Leonidou, L.C; (1988) European Journal of Marketing	Attempts to conceptualise the behaviour of indigenous manufacturers of consumer goods based in developing countries within their relationship with import customers in developing countries.	Importers, overall, exercise a high degree of power over their suppliers from DC due to their superior knowledge of the market and marketing skills. DC-based exporters can sustain and boost export operations by minimising conflict and maximising cooperation in their relationship with DC customers.	Cyprus and UK Alcoholic beverages, canned food, clothing, footwear and travel goods
Ford, D. & Djeflat, K. (1983) Export Promotion	Report on conflict, co-operation and success where buyer from DC. Establish effects of perception on conflict and co-operation. Personal interviews in large companies	Conflict has on R satisfaction and success, but different for B and S. Perceived co-operation satisfaction and success. But difference in how this is viewed by B and S.	Algeria, UK, USA, France (No industry indicated)
Sheth, J. N. (1983) Asia-Pacific Journal of Management	Discuss influence of culture on buyer- seller interaction Discuss content and style of negotiations. Conceptual research	Model of cross-cultural buyer-seller interaction,	(No country indicated) (No industry indicated)

Initially, key contributing IM scholars are noted. The main journals that this literature is published in are then identified. Following this, the research objectives, methodologies, and analytical techniques used by IM scholars are critically explored. This section then concludes with a critique of the industries, sites, and countries that these scholars focused on. In the final part of this section, the state of marketing relationship research is summarised.

Authors and Journals

Of the twenty-one papers that were identified, Kale was common to six of these and Graham three. Katsikeas and Frazier both published two studies in this specific area as well.

This body of research has been published in a wide number of outlets, although predominantly the Journal of Marketing (3), The European Journal of Marketing (2) and The Journal of Business Research (4). Nearly 50% of these studies were published in the past two years (see Table 2.2). One obvious explanation for the relative scarcity of studies in this area pre-1998 is that relationship marketing only really took a foothold in marketing research circles in the mid-1980's (see Section 2.3). Domestic marketing relationships were probably challenging enough for scholars in the initial years. A critical mass of relationship studies has possibly now been achieved and basic agreement has been made by marketing academics about factors commonly influencing relations, and their characteristics. This has given scholars greater confidence to add an international dimension to their studies.

Objectives, Methodologies, and Analysis

Academics investigating IM relationships, and buyer-seller interactions have primarily developed models (Frazier & Kale, 1989; Harich & La Bahn, 1998; Kale, 1996; Kale & Barnes, 1995; Kale & McIntyre, 1991; Sheth, 1983) or tested variables that were considered likely to impact relationships (Ford & Djeflat, 1983; Frazier, Gill, & Kale, 1989; Graham et al., 1988; Kamins, Johnston, & Graham, 1998; Katsikeas, 1992; Katsikeas & Kaleka, 1999; Lee, 1989; Mintu-Wimsatt &

Gassenheimer, 1996; Tse et al., 1988; Williams et al., 1998). Typically the latter group of scholars drew heavily from Hofstede (1980).

Seven (33 percent) of the scholars identified in Table 2.2 provided conceptual frameworks to help understand international marketing and buyer-seller relationships. Kale was common to six of these. Thirteen researchers (62 percent) tested the relationship of different variables to international marketing situations, including the impact of culture, social and structural bonding, and negotiation behaviours. Hypotheses were typically developed, although some scholars preferred to utilise propositions when in unfamiliar territory (Frazier & Kale, 1989; Harich & La Bahn, 1998; Kale & MacIntyre, 1991; Kamins et al., 1988). Descriptive or interpretive studies were noticeably absent, with the exception of Egan and Mody (1992), Ghauri (1988), and Witkowski and Thibodeau (1999).

The methodologies of choice of this group of scholars were the traditional marketing favourites, the survey and experiment. There were three experiments (14 percent) and 11 surveys (52 percent), six of the latter of these being researcher-administered face-to-face questionnaires. No case studies, fieldwork, or longitudinal studies were identified (Table 2.2).

IMR Findings

Table 2.2 summarises the IM relationship and buyer-seller research findings. Since much of this literature was discussed previously in Sections 2.2 and 2.3, these studies are now only briefly reconsidered here.

Culture was considered important to international relationship and buyer-seller interactions but there was no clear agreement about the precise nature of its influence. For example, it was seen as an obstacle to business or problematic by Campbell et al. (1988); Graham et al. (1988); Kamins et al. (1998); and Tse et al. (1988). This was often implicitly assumed to be the case though, rather than explicitly noted. There was also no firm agreement on the factors contributing to cultural difficulties in IM encounters.

Overall, a fragmented and confusing picture of IM relationships emerged from the twenty-one studies that were reviewed. In some ways this situation has parallels with the early buyer-seller literature in domestic marketing (Section 2.3.1). Many of the studies identified in Table 2.2 focused on buyer-seller behaviour in one-off encounters, with the exception of those scholars who adopted a more descriptive research approach. This latter group of researchers also typically interviewed practising managers in the field and found that culture was just one of a number of factors affecting IM relationships. Other factors, such as personal characteristics were noted as important in these situations (Ford & Djeflat, 1983; Harich & La Bahn, 1998; Katsikeas, 1992; Lee, 1989; Mintu-Wimsatt & Gassenheimer, 1996; Williams et al., 1998). Katsikeas (1992), for example, examined culture and conflict, noting more problems between domestic buyers and sellers than between foreigners. This was believed a result of the characteristics of these interactions rather than a cultural issue. Ghauri (1988) made a similar observation, noting that length of negotiations affected the degree of conflict experienced. Harich and La Bahn (1998) also found that a foreign businessperson's dependability, customer-

orientation, and their communication skills were just as important as their cultural sensitivity.

There is a clear need for scholars to extend and coordinate research in this domain, to move it beyond isolating and testing individual variables or constructs, especially those that have already been thoroughly examined in other disciplines (Section 2.2.1). International marketing researchers also need to consider relationship and network developments that have taken place in domestic studies (Section 2.3) and move beyond their current dyadic and single transaction perspective (Table 2.2). The relevance of national cultural as a construct is worthy of consideration. In today's more open and heterogeneous societies it may well be more suitable to adopt ethnicity or another sub-cultural category to explain international managers' expectations and decision-making. Finally, the issue of in-group and out-group behaviours needs to be explored. IM scholars have frequently implicitly assumed these to be the same. Kamins et al. (1998), Katsikeas (1992), and Tse et al. (1988) observed these were not identical (Section 2.1).

Sites, Respondents, and Industries

Table 2.2 reveals that IM researchers investigated respondents from twenty-two different countries. Of these, North America was the focus of eight (18 percent), Europe six (13 percent), China four (9 percent) and the United Kingdom two (4 percent). Scholars typically examined the marketing relationships of managers from these countries with their important trade partners, such as American-Japanese and American-Mexican interactions.

It was not always clear which industry or sector was being investigated because many of the studies in this area were simulations or conceptually-oriented. Even when one examines those industries identified by researchers, no clear-cut patterns emerge - except they were all manufacturers. Further, there was also indirect evidence that respondents were from medium to large sized organisations. This information was gleaned from researchers' discourse. For example, Williams et al. (1998) and Harich and La Bahn (1998) used the terms 'international marketing', 'international managers' and 'business executives' to describe research subjects. Typically, only medium and large-sized organisations employ and designate individuals for this role, although this explanation is open to interpretation.

2.3.3 IMR about Relationships, and Buyers and Sellers: a Summary

This chapter began with an examination of marketing research about culture, communication, and cognition since these three factors were considered likely to impact IM relations. It was noted that IM scholars had largely ignored studying the latter two variables, focusing instead mainly on the problems caused by cultural differences in IM situations. An analysis of domestic and IM relationship studies followed. It was found that:

- IM buyer-seller research focused primarily focused on conceptual issues or tested discrete variables or constructs considered likely to impact IM relationships;
- These studies assumed a linear view of relationship stages and development;

- The constructs associated with Hofstede's (1980) framework were popular with a number of these scholars;
- Culture was considered a national construct, with the exception of Harich and La Bahn (1998);
- Culture was implicitly considered to cause international marketing problems by those conceptualising or testing aspects of relationships;
- Dyadic relations were the focus of all studies;
- There was a difference between the views and findings of scholars' testing hypotheses and designing conceptual frameworks and those who questioned international marketing practitioners. In the latter studies culture was not seen to be the prime factor influencing relationships, while in the former, culture was viewed as critical to sound IM relations;
- America, the United Kingdom, Europe and their trade partners were primarily the sites of simulated or survey relationship studies. South-east Asian and Pacific Island studies, with the exception of Mintu-Wimsatt and Gassenheimer (1996) and Kale and McIntyre (1991), were overlooked;
- Most of this IMR was conducted in developed countries. Newly industrialised countries or less developed nations were overlooked by many of the scholars identified in Table 2.2, with the exception of Egan and Mody (1992); Frazier, Gill & Kale (1989); Katsikeas (1992); Mintu-Wimsatt and Gassenheimer (1996); and Williams et al. (1998);
- Respondents in medium-to-large sized businesses (international or marketing managers or executives) were the prime research targets;
- The role of cognition and communication in IM contexts was overlooked;

- Qualitative, descriptive, or contextual studies were largely absent.

In sum, IMR about buyer-seller relations is piecemeal and inconclusive. It has tended to focus on developed countries, large-medium sized businesses, well-educated managers, and issues relating to transaction and task. Scholars investigating this area have adopted what can be termed a WIMPS approach (Western, individualistic, mechanistic, and simplistic).

In the next section attention turns to an examination of how knowledge has developed in marketing, with the objective of understanding the characteristics of current IM buyer-seller relationships, as described in Table 2.2.

2.4 Knowledge Developments, IMR and Relationships

Since early Greek times, knowledge creation has been viewed from a dual perspective – gained via a scientific, theoretical perspective, or from direct experience and observation. The former term is commonly referred to as the context of justification and the latter, the context of discovery (Popper, 1975).

Local leaders, such as well-known or respected religious figures, created knowledge in ancient times. It often became part of folklore and mythology, referred to by the populace to explain different events or behaviours. The Greeks described this form of knowledge creation as *gnosis*. This refers to the deep understanding, intuition, and insight that comes from experience (Morosini, 1998, p.

776). This form of knowledge holds that it is a social endeavour and genuine if a dominant group believes it to be true (Gronhaug & Olsen, 1999; Morosini, 1998).

The other form major of knowledge creation, the scientific approach, is based on structured and logical procedures that were developed by a group of early philosophers, who were concerned about the accuracy and value of information being provided by lay figures and the church. They believed that well structured and tested arguments could yield more accurate and reliable accounts of situations (Ward, 1997, p. 776), and that these were true if they had been tested and justified along clearly identified parameters (Gronhaug & Olsen, 1999, p. 7). This form of knowledge creation flourished in much of Europe from about the fifteenth and sixteenth centuries, during the Italian Renaissance period when scientists formulated the concept of the rational experiment to apply to problem-solving (Munch, 1989, p. 41). In ensuing years, scientific knowledge creation continued to evolve. For example, British scientists developed the basics of this approach - scientific reason, commonsense, and experience - in the seventeenth century. The French contribution to knowledge development came in the eighteenth century, first from the elite salon set, then later artists, authors, and scholars, the café set. Knowledge here was associated with self-presentation, inspiration, and wit, at its core being a market of ideas where each participant vied with others to be the most stylish and clever. German universities later became centres for knowledge growth. In these institutions rational and detailed theses were formulated to account for the 'truth' of a phenomenon. By the twentieth century, North America became closely associated with knowledge creation, as it is today. It is now associated closely with industrialisation, the market, and commercial interests (Munch, 1989).

Tracing the evolution of knowledge, Polanyi (1944) and Hogner (1997) argued that changes in how knowledge is acquired are a result of societal changes and demands. Thus, what constitutes knowledge is not a fixed concept but instead depends on the social dynamics of the time (Ward, 1997, p. 780). In Munch's (1989, p. 37) words, "Human knowledge does not take place in a vacuum. It is a social undertaking organised in a particular way and taking place within a particular cultural context." For example, while someone may see a coke bottle and immediately conjure up the image of a well-known American drink, those from an isolated and undeveloped culture may view it as a sacred object, a gift from the gods.

The following section explores what this understanding means in relation to the marketing discipline and IM relationship research.

2.4.1 Origins and Developments in Marketing

Traditional marketing knowledge holds that the marketing discipline and practices developed fairly recently in North America in response to changing environmental conditions, particularly the industrial revolution which brought with it increased production capacity and competition. More specifically, it is viewed as having emerged after the production and sales eras of approximately the 1870s-1930s and 1930s-1950s (Fullerton, 1988; Murray & Ozanne, 1997).

According to Fullerton (1988, p. 112) there is strong evidence to show that basic marketing practices were evident in Britain, Germany and the United States

well before the Industrial Revolution gained momentum. As new production technologies and products became available marketing was increasingly practised to encourage sales, to shift stock, and to gain repeat business. Thus, while marketing historians have explained the early developments in their discipline as evolving in a linear and relatively systematic way, they actually developed in a more protracted and fluid manner (Fullerton, 1988, p. 121). For example, historical business records show that marketing involved a combination of simultaneous and incremental changes, as well as periods of continuity, in Europe not just America.

These arguments aside, Cochoy (1998), Hirschman (1993), and Murray and Ozanne (1997) observed that marketing made substantial progress after the Industrial Revolution when new entrepreneurs tried to legitimise and secure their positions by forming associations and developing relationships with academics. Scholars that were part of this coalition were primarily Mid-Western American economists, many originally from the German historical school (Cochoy, 1998). Their approach to knowledge acquisition was scientific. They focused on the observable, avoided metaphysical ideas, applied principles of deductive and formal logic, and verified findings (Hunt, 1991, p. 33). This meant they often physically followed materials and parts through the production process and channels of distribution. Murray and Ozanne (1997, p. 67) noted that their efforts to predict and control commercial activities were compatible with manufacturers' concerns about production, sales, and profitability goals so they worked together well.

According to Hunt (1994a, p. 13), a key figure in traditional marketing circles, marketing scholars have continued in much the same way - treating marketing as an applied discipline and focusing on quantification of an individual firm's actions. Cochoy (1998, p. 34) termed this, "...marketing as performative knowledge and know-how for capitalism". Hunt (1994a) went further, observing that while there had been a considerable number of changes in the environment, marketing scholars had largely continued to focus on competitive issues and dysfunctional relations.³

Mainstream marketing researchers have not been totally remiss in considering how their discipline should progress. In the next section the marketing debate about what constitutes good research is discussed, before IM relationship studies are re-examined to establish their underlying values and assumptions (Table 2.2). These steps will help to identify how IM buyer-seller research can be enhanced.

2.4.2 The Philosophical Debate in Marketing

Discussions about the appropriate way to conduct marketing research began in marketing in the 1980s. Central to these sometimes heated debates were Anderson (1983, 1984, 1986, 1988a, 1988b) and Hunt (1984, 1990, 1991, 1992, 1994a, 1994b). Other scholars involved in these discussions included Hirschman (1993), Hirschman and Holbrook (1992), and Peter (1981, 1992). All of these researchers focused on the question, "what is the best way to gain knowledge about the world?"

³ Consumer behaviourists should not be considered part of the group described by Cochoy (1998), Hunt (1994a) and Fullerton (1998). Scholars, such as Arnould and Wallendorf (1994), Hirschman (1986, 1993), Murray and Ozanne (1997), Penaloza (1994), Sherry (1990) and Sirsi, Ward, and Reingen (1996), have all adopted a more interpretive and less manipulative research approach.

Researchers have identified many different schools of research thought. Positivism versus anti-positivism (Hunt, 1991), realism and relativism (Anderson, 1986, 1988a, 1988b; Hunt, 1984, 1992; Peter, 1992), classical versus contemporary research (Murray & Ozanne, 1997), and Cartesian research and existential-phenomenology (Thompson, Locander & Pollio, 1989), to name but a few. And, while Hunt (1992, p. 100) counted more than twenty-five of these 'isms' more than eight years ago, this number has continued to grow and mutate since that time.

The following section now concentrates on providing an overview of the key research philosophy currently underpinning IM studies, positivism, and providing an alternative research view.

Generally speaking, most researchers are positivists or interpretists of varying shades (Table 2.3). The former commonly think that there is a real world that exists independently of thought and, that, despite the influence of cognition on perception, this can be established objectively via the scientific approach to research (Kavanagh, 1994). Those that hold this view believe that while the ultimate 'Truth' may not be accessible (ie a god's eye truth), data can still be investigated in a way that is neutral to any theories being evaluated (Hunt, 1992, p. 99). Just how this can be achieved is seldom discussed. Further, the sense-making role of a scholar is not addressed (Dana, 2000b) for positivist researchers' believe that by adopting a third person, detached perspective their influence on a study is removed (Table 2.3).

Table 2.3: Features of Positivist and Interpretive Research

Features	Positivist	Interpretive
Basic Goals	Generalisation, empirical verification and falsification, theory testing, prediction	Understanding Theory-building
Assumptions	Stability and equilibrium is a natural thing Reality is made up of discrete things that Are isolatable	World is multi-faceted Change is essential to nature
Knowledge/ Truth	Is out there waiting to be examined Is objective and “given”	Is socially constructed and subjective Is not a mirror of reality Is epistemically-based
Style	Focus on what can be seen and measured Importance of “being” – presupposes a clear-cut pre-existence of objects	Focus on the invisible, on the process of “becoming”, on relationships, actions and interactions, on the flux of things
Methods	Hypothetic-deductive, disembodied univocal voice, “scientific”, empirical	Inductive, multi-vocal, naturalistic, ethnographic, deconstructive, observation, hermeneutic
Bias	Can be identified, filtered and removed	Is inevitable and needs to be identified and understood
Nature of Data	Reliable, generalisable, hard	Rich, deep
Researcher (voice)	Emotionally-detached, neutral, disinterested, third-person	Involved, formative First-person
Values	Research is value-free, influence denied	Research is value-bound
Research Strategy	Componential	Holistic
World-View	Mechanistic	Contextual
Risks	Researcher perceived as omnipotent Silences/marginalises those it reports on	Engineers meaning for others

Source: McCourt (1997), Hardy and Clegg (1989), Chia (1997), Murray and Ozanne (1997), Thompson, Locander, and Pollio (1989).

Interpretists argue that objectivity is established via a research community’s rules and norms, and that values and assumptions underpin all knowledge creation (Table 2.3). These scholars, including constructivists and relativists, can be found among consumer behaviourists in marketing, including Arnold and Fischer (1994), Bristol and Fischer (1993), Hill (1993), Hirschman (1993), Murray and Ozanne (1997), and Penaloza (1994). A close examination of their philosophies would reveal distinctive differences in their beliefs. Typically, however, this group consider that reality is socially constructed and that, “... no interpretation of the world can be made independently of human sensations, perceptions, information processing, feelings and actions”, (Kavanagh, 1994, p. 38). Good research, it is

believed, can be clearly defended and is the best interpretation possible in the research circumstances.

In other words, one could debate the question, “what is good research?” and the answer would vary depending on the epistemological assumptions and values of a scholarly group. As Kuhn (1962) observed, academics commonly conduct their investigations in accepted ways, solving problems using the well-recognised frameworks of their communities. These usually go unchallenged, except in exceptional circumstances, such as when major environmental changes suggest that old ways of working may be obsolete. Marketing scholars Gronhaug and Olsen (1999), and Kavanagh (1994) made similar points, the latter noting that the original Hunt-Anderson debate was initially informative but had later degenerated into ‘hair-splitting’ and defending old arguments. For example, Hunt (1994b, p. 133) attempted to deal with ‘theory-ladenness’ and objectivity in marketing, by noting that the traditional marketing academic’s view of observation as being independent of perception was incorrect. Hunt stated that cognitive researchers had shown that perception was informed by the senses. According to him, however, only some cognitive processes were affected in this way, others were theory-neutral (Hunt, 1994b, p. 153). Justification for this claim is not given but Hunt makes it clear that this means that scientific objectivity is not at risk.

Such an argument is weak. It appears to simply be another way of retaining the status quo. For example, even researchers’ specialising in cognitive behaviour have not established these characteristics in cognition. Hunt’s (1994b) modified theory of

cognition assumes that it is a linear process and can be dissected into distinct parts – some parts of the senses involved with perception while others remaining pure and uncontaminated. Neurologists and cognitive psychologists would agree that different areas of the brain conduct different functions. They are equally clear that it is a complex organ and functions in ways that are still not understood. Hunt's (1994b) view of cognition has strong similarities to the unitised and linear approach adopted by IM scholars, as discussed in Sections 2.1, 2.2, and 2.3.

While positivism may remain the preferred epistemological stance of many marketing scholars for some time to come breakthroughs in cognitive psychology, changing business practices and environments, and expanding views about marketing (see Dana, 2000b) are likely to encourage more scholars to question traditional research frameworks. In the next section, the values and assumptions underlying IM relationship research (Table 2.2) are examined prior to making decisions about the characteristics of the proposed primary research.

2.5 IM Relationship Studies: Assumptions and Values

IMR related to relationships, and buyers and sellers was identified and discussed in Section 2.3 and presented in Table 2.2. In all twenty-one studies were found – 50 percent published in the last two years. In this section they are revisited, the analysis focusing on the assumptions and values implicitly guiding these academics, as it is considered that a researcher's philosophy influences their research objectives, methodologies and findings (Section 2.4). Since IMR in this domain has already been identified as fragmented and narrow (Sections 2.1-2.3), this

examination aims to clarify what must be done in the primary research portion of this study to extend knowledge in this domain.

2.5.1 Culture is Static and a National Construct

Culture was implicitly or explicitly perceived as static in almost all of the twenty-one papers (see Table 2.4). For example, those who developed conceptual international buyer-seller frameworks or simulated buyer-seller interactions did not note that culture is dynamic and learned. Nor did they explain that national culture may be a rather outdated concept (Kale, 1996; Kale & Barnes, 1995; Graham et al., 1988; Campbell et al., 1988). Both of these points were made in Section 2.2.1. The former characteristic was observed to be typically associated with positivist researchers (Table 2.3). Tse et al. (1988) did find that Chinese Hong Kong managers with extensive international exposure exhibited fewer traditional Chinese values than their Mainland counterparts. They suggested that extensive out-group experience modified less fixed culture mores. Lee (1989) was the only other IM researcher to have addressed this point (Section 2.1).

According to Usunier (1996a) ethnic affiliation may be a more appropriate indicator of culture, given the heterogeneity of many countries now. Furthermore, this same scholar believed that an understanding of cultural values could provide a better guide to IM situations than the use of national constructs (Section 2.2).

2.5.2 Culture as Obstacle

Culture as an obstacle was another assumption underlying several of the international marketing studies re-examined and summarised in Table 2.4. Tse et al. (1988), for example, explicitly made this point, while other IM scholars implicitly assume this to be the case (Table 2.4). Kale (1996) and Williams et al. (1998) also expressly noted that the greater the cultural distance between marketing practitioners, the more likelihood problems occurred. This view of culture as obstacle in IM relationship studies may reflect the competitive, task-oriented, and individualistic values typical of many of the scholars researching this domain (Tables 2.1, 2.2, and 2.4).

Table 2.4: International Marketing Relations Studies Revisited

Author (s)	Assumptions	Values
Katsikeas & Kaleka (1999)	Competitive model, assume organisation operates independently, depending on its motivations. Manipulative approach to international business activities	Positivist, cause and effect, prediction and control oriented.
Witkowski & Thibodeau (1999)	People are all important in international marketing relationships, personal bonding especially.	Focus on providing rich descriptive understanding of small and medium sized businesses relationships.
Kamins, M.A., Johnston, W. & Graham, J. (1998)	Competitive model of behaviour, ST focus of negotiation, ie transaction	Positivist, hypotheses, goal/task oriented, cause and effect, predict, control, measure, Western bias, ie excludes implicit communication. Dyadic
Williams, D. J., Han, S.L. & Qualls, W.J. (1998)	Social and structural bonding preferences, some in-group and out-group, relationships business-oriented, cultural distance is obstacle to business	Positivist; predict, control, cause and effect; -hypothesis testing, goal-oriented (business success), focus on commitment to organisation and task, dyadic relations
Harich, R. K. & LaBahn, W. D. (1998)	Culturally sensitive behaviour will result in quality lasting relationship (p. 87), relationships should be bus.-oriented Impact of environ. on B-S relations only economic and political (p. 96)	Positivist, control, measure, cause/effect, task oriented (p. 89), environ. is secondary influence on salespersons role performance (p. 96). Dyadic
Kale, S. (1996)	People stay with organisation that suits their temperament (p. 29). Buyers driven by utility - National view of culture (p. 33)	Positivist, predict, control, large company focus (p. 31), i.e. sale reps, and policies, transactional and task focus
Mintu-Wimsatt & Gassenheimer (1996)	Assumes communication overt process and co-operation and conflict easily identified Assumes co-operation balanced or equal (p. 21) and negotiation linear process, believe that national and organisation culture influence firm's d-making - but not research.	Dyadic focus, but recognition of prior related contextual cues and that negotiation is a social process, co-operation and conflict present in negotiations, conflict Western concept, co-operation equal, discussed between equals Western concept Hypotheses and predict/control
Kale, S. H. & Barnes, J. W. (1995)	Assume individual and organisation with some characteristics drawn together, assumes choice (p. 268)	Positivist, predict, control, measure. Large company, dyadic, task oriented, utility and transaction focus

Kale, S.H. (1993)	Sellers driven by utility (p. 209)	Positivist, large companies, control and measure, predict, dyadic, task oriented.
Katsikeas, C. (1992)	Conflict inherent in B-S relations	Positivist, hypotheses testing, measuring, control, dyadic, transaction, conflict focus
Egan, L.M. & Mody, A. (1992)	B-S relations maximised when collaborative and long-term relations	Large companies, task oriented, buyer focus Western and economic orientation.
Kale, S.H. & McIntyre, P.R. (1991)	Cultural characteristics will impact channel role and task in channel, channel communication shaped by culture.	Positivist but uses propositions and builds theory. Assumes nations homogenous culture static, dyadic and transaction focus
Frazier, G.L. & Kale, S.H. (1989)	Importance distribution initiation for manufact. Lower in Seller markets than in buyer markets. Initiation process of equal importance to distance in B and S markets,	Economic orientation – analytical, mechanistic (cost/benefit), prediction, profit and growth key business goals, competitive model (power balance).
Frazier, G.L.; Gill, J.D. & Kale, S.H. (1989)	Economic rationale drives all business behaviours, competitive model of behaviour, Utility driven, internal power, culture, politics not important ie organisation functions as one.	Individual firm autonomy in channel theory Dyadic focus, prediction/control, positivist mechanistic, task-oriented, empirical
Lee, K. (1989)	Different attitudes and actions in negotiations between insiders and outsiders	Large companies, Western focus, Task and transaction oriented.
Ghauri, P.N. (1988)	Relations unbalanced, each vies for influence cultural distance problem, negotiation dyadic, except third party interest/help, wider context and personal goals don't affect	Competition, influence, power, important in business relations, largely de-contextualised Task-oriented.
Graham, J. et al. (1988)	Impact of negotiation process and strategies effect outcomes, indiv. profits and negot. Strategies related to problem solving approach (PSA). Satisfaction with negotiations related to perceived attractiveness and co-operation	Positivist, hypotheses testing, large companies, control, measure, predict Profit/economic focus, transaction oriented Dyadic.
Campbell, N.C., Graham, J., Jolibert, & Meissner, G.H. (1988)	Sellers' profit positively related to buyers' using problem-solving, B. satisfaction related to sellers PSA strategies	Positivist, hypothesis testing, control, profit focus, dyadic
Tse, Lee, Vertinsky & Wehung (1988)	Culture is obstacle to international business	Empirical (Positivist), hypotheses, predict, control, task-oriented, decontextualised
Leonidou (1988)	Culture is obstacle to international business	Manipulative approach, linear problem solving, competitive model
Ford, D. & Djeflat, K. (1983)	Negative correlation between level of conflict and success, positive between level of co-operation and success of relationship, location and culture cause problems (p. 263)	Positivist, hypothesis testing, control, measure, dyadic, transaction focus.
Sheth, J. N. (1983)	Problems in international business mainly communication. Keep domestic behaviour in similar cultures but when dissimilar cultures adapt communication content and style	Communication content product and task oriented, dyadic, linear thinking (p. 52)

The few IM academics that examined real-life international marketing practitioners actually found that they experienced fewer problems than were noted between similar domestic buyers and sellers. This was attributed to the latter being more intensive and on-going (Katsikeas, 1992; Mintu-Wimsatt & Gassenheimer, 1996). As Harich and La Bahn (1998) observed, cultural sensitivity was only one of several factors believed important to international relationships (Chapter 2.2.1).

2.5.3 Intracultural and Intercultural Behaviour is Identical

Another basic assumption underlying a number of the studies represented in Table 2.4 was that international marketing managers will behave identically inside and outside of their cultural group (Williams et al., 1998; Campbell et al., 1988). The basis for this belief is a little unclear. It could be said that positivist researchers assume situations to be generally stable and thus consider that marketing practitioners will behave much the same everywhere (see Table 2.3). It is likely though that they have not considered this issue at all or if they have, they have thought that 'business as usual', with minor adjustments is all that is needed to deal with cultural differences. This latter point would appear to fit with what is understood about IMR (Table 2.2 and 2.4). It is viewed as an extension of domestic marketing activities. Ghauri (1988), Lee (1989), and Kamins et al. (1998) were the only IM researchers to have expressly addressed in-group and out-group behaviours.

2.5.4 An Exchange or Task Orientation

Almost all of the studies examined in Section 2.3 (see Tables 2.2 and 2.4) focused on specific IM tasks or situations (Campbell et al., 1988; Graham et al., 1988; Tse et al., 1988). This isolated and manipulative approach is understandable when a research area is still in its infancy. Scholars, nevertheless, need to identify the problems of investigating one-off incidents and generalising the findings of these to relationships, especially in IM. For example, almost two thirds of the world's population are collectivist and of Eastern origin, so social networks rather than a task focus are critical to their business decisions. Only IM scholars Witkowski and Thibodeau (1999), and Williams et al. (1998) considered these points.

2.5.5 Control and Generalisation Key Concerns

Overall, the IMR literature represented in Table 2.4 suggests strong positivist leanings, as was established in the first section of the literature review (Table 2.2). Their focus has been on methodology, conceptualisation, testing hypotheses, and establishing cause and effect (Table 2.3).

As noted previously, in any new research area the gaps in knowledge are quite overwhelming. Certainly the use of dichotomous constructs, such as Eastern-Western and structural-social links (Tables 2.1 and 2.2) are a useful starting point. Continuation of this practice though, especially when an area has been well researched before (Hofstede, 1980) appears to be more to do with the norms inherent in a research community and key cultural group.

For IM to develop as a discipline or sub-discipline in its own right, IM scholars need to begin to question whether their implicit assumptions that economic indicators, task issues, and competitive practices are what drives everyone else (Mattsson, 1997; Toyne & Nigh, 1997).

The final section in this chapter summarises the key findings of previous sections. These then provide guidelines for achieving the primary goal of this research - to extend what is currently understood about IM relationships.

2.6 Where to Now?

IM relationship research has primarily developed in the past few years, with 50 percent of the identified studies (Table 2.2) appearing during this time. This body of

research is narrowly focused, heavily reliant on borrowed concepts and theories that are somewhat out-dated, and constrained by positivist and Western value systems. These understandings provided the first firm guidelines about the most suitable research philosophy, methodology, techniques, and operational issues to adopt to extend knowledge in this domain.

2.6.1 Interpretist Philosophy and Research Objectives

Since the IM buyer-seller studies examined in Tables 2.2 and 2.4 were predominantly positivist, it was decided to choose an alternative research approach, to increase the likelihood that knowledge in this area would be extended.

The belief that knowledge creation is a social process (Section 2.4) led to the choice of an interpretive research philosophy (Table 2.3). A strong factor that guided the final selection of the most appropriate interpretive philosophy to adopt for the primary research, was the belief that a scholar's research community and broader socio-cultural conditioning impacts their investigations just as much as they do international marketing practitioners. This matter is discussed in more depth in the next chapter.

The findings of the IM relationship literature review (Section 2.3) provided the basis for the development of several broad questions that it was hoped would extend IM relationship knowledge. These were;

- Describe relations with your buyers (sellers). How are these relations similar or different? (how and why?)

- What factors have affected your relationships? What makes for a good business associate or partner? How do you choose buyers or sellers?
- How have your buyer or seller relations evolved? Have you always worked this way together? (Why do you do what you do?)
- Describe relations with local and with international buyers or sellers. (Are there differences in expectations and interactions with these two different groups?)

2.6.2 Research Methodology

Since existing IM studies about relationships were mainly conceptual, simulated or mail or phone survey (Table 2.2), a decision was made to utilise other methodologies to increase the likelihood that knowledge in this area would be extended. This fitted well with the decision to adopt an interpretive philosophy, since philosophy and method are closely interrelated.

Market ethnography was believed suitable, as it was a more open-ended and less researcher-driven methodology than existing IM relationship studies, at least at the outset prior to interpretation. Market ethnography or fieldwork in the market place would also provide greater opportunity for the voices of international buyers and sellers to be heard. Final decisions about specific field techniques were to be made once other research issues were clarified (Chapter 3).

2.6.3 Research Focus and Respondents

It was observed that IMR about buyers and sellers had predominantly focused on the USA, the UK, Europe, and their key trade partners. A significant number of

these studies also concentrated on companies in developing countries and had largely overlooked the Asia-Pacific region. For these reasons, it was decided to examine the relationships and experiences of international buyers and sellers, with one of these at least from a developing country in the Asia-Pacific. Well-educated, middle or senior level managers from medium to large sized organisations had also been the targets of these studies (Table 2.2). It was therefore decided that the primary research would focus on owner-managers of small businesses selling to other business buyers. This was considered especially appropriate because of the importance of the small business sector to many economies.

2.6.4 Guiding Research Principles

Other key findings emerging from this chapter that were used to ensure that the primary research extended existing IM relationship knowledge were as follows.

- Culture would be viewed from an ethnic rather than national framework.
- Culture would not be assumed to be an obstacle to IM nor would it be assumed to be static.
- The main cultural values of buyers and sellers would be taken into consideration.
- The focus of this study would shift beyond purely dyadic concerns. The impact of reference groups and the wider environment on international buyer-seller interactions would be explored. (This would provide the contextualisation that Sections 2.1 and 2.3 found missing in communication and relationship studies.)

- Rather than examine specific IM transactions as was common in IMR, this study would explore buyers and sellers' views of their relationships - their characteristics and how they had evolved.

In the next chapter the details of the primary research stage of this thesis are discussed.

CHAPTER 3

PRIMARY RESEARCH ONTOLOGY AND METHODOLOGY

3.1 Introduction

Since existing IMR about buyers and sellers is predominantly positivist in orientation and narrowly developed (Chapter 2.3), and given the nature of the research questions being asked, an interpretive research strategy was considered an appropriate way of extending existing knowledge and theory about IM buyers and sellers.

In this chapter, details about the philosophical basis of the primary research are first presented. IM scholars typically do not disclose their ontological leanings. Given the social nature of knowledge creation and the inevitability of researcher bias (Chapter 2.4) this was considered a necessary step. The research strategy and techniques to be used to address the broad research questions, established at the completion of the literature review (Chapter 2.6.) are then outlined. Following this a set of propositions are presented. These are based on the guiding research questions in Chapter 2 (Section 6.1). Issues relating to interpretive research quality are then discussed. In concluding this chapter, operational issues that may potentially affect this study are explored, for undertaking international research is a complex task. This includes discussion about site and participant selection, the research timetable, pre-field preparation, full-time fieldwork procedures and protocols, and post-fieldwork.

3.2 A Hermeneutic Research Philosophy

Interpretive scholars have a broad variety of philosophical approaches to research (Chapter 2.4.2). All place great value on listening to the voices of participants, gaining “thick descriptions” of behaviour then offering interpretations of these. This typically involves the researcher in an iterative process of relating their emerging understanding of participants’ stories, and their own observations, knowledge and experience, to the broad research questions being asked. (This process is discussed in more depth in the next chapter).

Hermeneutics was considered an appropriate interpretive framework to extend IMR about buyers and sellers as it fitted well with understandings about knowledge creation derived from the literature review (2.4). Further, while it has never been adopted by IM scholars, consumer behaviourists Arnold and Fischer (1994), and Thompson (1997) used hermeneutics to explore consumer perceptions. It also has a strong following in the social sciences – more recently gaining the attention of the editors of the *American Behavioural Scientist* who dedicated a complete edition to its characteristics and merits (Richardson & Fowers, 1998).

Gadamer (1975, 1981), Guignon (1991), Ricoeur, (1992), and Taylor (1989) have been central to the development of the hermeneutic philosophy. In the following section the underlying assumptions and principles upon which this is based are identified and discussed.

3.2.1 Hermeneutic Assumptions and Principles

As explored in Chapter 2.4, knowledge creation is a social process, any knowledge that is generated being underpinned by a researcher's assumptions and values about the nature of the world. A hermeneutic scholar's key aim is to provide plausible accounts of human actions and lives based on interpretation of what human beings seem to be like. They do not seek to provide 'true' assessments of situations or hard facts as traditional marketing academics do. Rather they believe that numerous explanations may be given for different situations and phenomena, although some are more robust than others are. The following assumptions and principles guide hermeneutic researchers in their interpretations and will guide this primary research.

- Human existence is never complete nor is it static. It is always in the process of 'becoming'. This means that individuals continually try to make sense of and manage the complexities that they face in their lives. And, while this 'becoming' is an on-going, and commonly subconscious process, it is done within the context of the socio-historical groups to which people belong (Richardson & Fowler, 1998).
- All research interpretations are ontologically derived. In other words, people interpret their world on the basis of their language, perceptions, and pre-understandings (Arnold & Fischer, 1994; Schwandt, 1994). This means that complete understanding or objectivity and neutrality, in the positivist sense, is not possible. To hermeneutic scholars understanding *is* the world as we know it, and prior experiences and knowledge informs this understanding.

Hermeneutic researchers see these as aiding interpretation.

- While there may be many possible explanations of a phenomenon, Hermeneutic scholars value the role of influencing groups (dialogic communities) in interpretations. These play a crucial part in establishing which interpretations are more persuasive and trustworthy than others are. In hermeneutics the role of the researcher and that of others surrounding them is acknowledged and seen as crucial part of interpretation. This principle is at odds with traditional marketing scholars' thinking that a third person and detached approach to research is needed for research to be high quality. Even among interpretive scholars there are those that view the role of some groups in a researcher's dialogic community as having a negative force on interpretations. For example, critical theorists view some reference groups as problematic, especially if they are more powerful, as they may force their understanding, values, and assumptions on other scholars (Arnold & Fischer, 1994; Murray & Ozanne, 1997).
- Re-iteration is critical to hermeneutics. This refers to the process of how data is gathered, sifted, sorted, resifted, and juggled to arrive at a better-informed view of the subject at hand.
- Hermeneutics holds that the distance between the researcher and subject is fused or narrowed as interpretation is progressed. This 'fusion of horizons' (Arnold & Fischer, 1994, p. 59) is again at odds with the usual marketing positivist view which believes there should be a sharp distinction between subject and object for sound research to be conducted (see Chapter 2.4). In hermeneutics, the iterative and self-reflective nature of this type of inquiry is considered to break down these walls and make the unfamiliar more

understandable. This fusing of horizons also occurs between researcher and text (Ricoeur, 1981).

- Hermeneutics researchers assume that a scholar is transformed by conducting this type of research. This results from a process of "...self-reflection, self-understanding, and self-development," (Arnold & Fischer, 1994, p. 59). This change does not mean that a researcher is privileged to have an insider's view of things. Rather in a hermeneutic approach an academic is given the opportunity of looking over subjects' shoulders for a time. Interpretation then, is at a third level coming after what actually occurs, and participants' thoughts about the event.
- Unlike positivist researchers who aim to establish "facts" or what is considered to be true, hermeneutic researchers aim to persuade the reader that their interpretations are worthy of serious consideration and are well judged. As Schwandt (1994, p. 122) noted, "One seeks to make a responsible decision and to give good reasons for one's action, but the application of ethical principles does not permit the elimination of judgement on the part of the decision-maker." To be rational in this situation requires the exercise of judgement (not the following of procedures or rules) and the making of an interpretation. This interpretation can be appraised by assessing whether it rings true to the actors in the setting under study and the audience. In this sense interpretive research is re-tested and examined for internal validity.
- In hermeneutics, as in other interpretive research, a researcher has the opportunity of looking at complex, real-world situations unlike positivist scholars who typically examine a limited number of variables or parts in a setting in a very simple way.

In the following sections the broad research questions and other general guiding research principles, established in Sections 2.6.1 and 2.6.4, are re-examined before a research strategy is outlined.

3.3 Guiding Research Questions and Propositions

Following the literature review of IMR related to buyers and sellers (Chapter 2.3) and the examination of how knowledge develops (Chapter 2.4), a number of broad guiding principles for the primary research became evident. They were as follows.

- Culture was to be treated as an ethnic construct and would not be assumed as an obstacle to IM. The key cultural values of buyers and sellers will be considered in this study (Chapter 2.6.4).
- Environmental factors, such as reference groups, religion, government policies, and socio-historic factors were to be recorded to assist with understanding and interpretation (Chapter 2.6.4).
- Field-oriented interpretive research was considered appropriate as it could provide a different research approach to the existing IM (Chapter 2, Table 2.2 and Section 6.2). Its subjects would include buyers or sellers from a developed country, as well as small businesses (see 2.6.3), as a means of addressing some of the gaps in the IM literature.
- International buyers' and sellers' perceptions of their relations would be explored.
- Factors buyers' and sellers' believed affected their business relations would be examined.

- Buyers and sellers would be asked to explain how their relationships evolved and the characteristics of the relationships.

A decision was made at this stage of the research procedure that propositions would be developed to guide and focus early efforts in the field. These were considered appropriate because of the unfamiliar setting of the proposed study. Four propositions were formulated, based on analysis of the IM relationship literature (Chapter 2.3). They were;

- P1 Small business-owners in non-Western countries will behave differently when they deal with domestic and international buyers/sellers.
- P2 Business concerns will be of prime importance to all small business buyers and sellers, whether they deal with local or foreign organisational buyers or sellers.
- P3 A checklist approach to learning to understand a potential business partner from another culture has little significant value.
- P4 Stereotyping is a hindrance to international business relations, especially for inexperienced buyers or sellers.

Statements P1 and P4 were based on the finding that IM marketing scholars' assumed that cultural differences were problematic and that international marketing encounters were the same within and between cultural groups. It made sense to explore this directly. It was also noted in Chapter 2 (Section 2) that stereotyping was typically used in unfamiliar situations, to aid decision-making. Harich and La Bahn (1998) observed that the implicit stereotyping of international marketers concerned their overseas associates. These scholars did not address this problem directly, though – nor did any other IM scholar.

P2 and P3 arose out of the understanding that emerged from Chapter 2 (Section 3). All cultures are involved in business, but how this is conducted is culturally derived. P2 was established to ascertain if business goals and objectives would override cultural values and conditioning in most instances.

P3 was established in response to the many “how to do business” books targeting the inexperienced international business traveller (Chapter 2.2.2). Just as IM scholars had done, the authors of these publications appeared to make generalisations about individuals from different cultures, without helping the reader understand cross-cultural encounters. An interpretive field study would provide an opportunity to ask international buyers and sellers their views of the typical business dos and don’ts commonly provided in these books. This checklist will be developed and discussed in the next section.

3.4 Research Strategy: Semi-grounded Market Ethnography

Hermeneutics is a research philosophy that has a well-developed set of guiding principles and assumptions (see Section 3.2) but it is not a research strategy. It was therefore decided to adopt semi-grounded market ethnography, based on hermeneutic principles, to conduct the primary study. This decision is not without precedent in the marketing and management disciplines. Arnould and Wallendorf (1994); Dana (2000b); Hill (1993); Schouten and McAlexander (1995); McGrath (1989); Penaloza (1994); and Sherry (1990) have all conducted research using this strategy. These studies, and those of social scientists Lofland and Lofland (1984),

Miles and Huberman (1994), and Shaffir and Stebbins (1991), were referred to during this research. Methodologies and techniques surrounding this elected research strategy are now discussed.

Grounded theory is a general method of systematic data collection (Corbin & Strauss, 1990; de Burca & McLoughlin, 1998; Easton, 1998; Glaser & Strauss, 1967; Miles & Huberman, 1994; Strauss & Corbin, 1990). It is a research strategy that does not compromise hermeneutic principles and is well developed. It concerns itself with focusing on processes rather than specifics, and generating theory that is grounded in systematic data gathering and analysis (Easton, 1998).

Grounded theorists begin with ideas, questions, or phenomena they want to research. They aim to explore these by finding out about the stories their subjects have to tell. As data is gathered, via observation, interviews, texts, and other means, it is coded, and categorised on an on-going basis as the study unfolds. Using a constant comparison method, new information, coded information, and clusters of codes (categories) are assessed, established and re-assessed by a researcher who tries to establish the building blocks or underlying assumptions and values of research participants. Thus, while any phenomenon will always be influenced by environmental conditions, a grounded theorist considers that there are still underlying processes and patterns to which behaviours can be attributed. They also acknowledge their role in interpretation and consciously focus on ensuring that they do not squeeze data in to preset codes (Easton, 1998). Codes evolve from the data a researcher carefully records. Categories or clusters of related data are then looked

for, and information is continuously gathered until codes and categories are saturated and can be fully explained. A scholar then develops a conceptual framework to explain the underlying processes and stories that participants have told. Grounded researchers must also be aware that their emerging theories are situationally constrained (de Burca & McLoughlin, 1988; Easton, 1998).

In this study fieldwork focuses on understanding links and processes between international buyers and sellers, and those underlying factors, which influence their interactions.

3.4.1 In-depth Case Interviews

In-depth interviews are central to grounded research and market ethnography. They help understand participant perceptions, provide an opportunity to probe responses, and give a researcher more flexibility during the research process than surveys and experiments do. The propositions and general research questions outlined in Section 3.3 were considered an integral part of interviews.

Very little attention has been paid to interviewing in relation to international marketing and management, with the exception of Healey and Rawlinson (1993), Kinsey (1988), Usunier (1996a), and Yeung (1995). In international contexts, especially in developing or newly industrialised economies, these are sometimes considered to be the only suitable form of inquiry because of low literacy rates, language barriers, and database and infrastructure problems (Usunier, 1996a).

In-depth interviews usually unfold in three phases - general scene setting and introductions; open dialogue with participants and focused questioning about specific situations. It was decided that interviews with international buyers and sellers would involve both unstructured and structured elements, depending on the level of rapport developed with participants. In preparation for this phase of the research, fieldwork protocols and general lines of inquiry were established.

Interview Protocols

Social scientists and anthropologists have had considerable experience and written extensively about fieldwork in foreign cultures (King, 1994; Lofland & Lofland, 1984; Fontana & Frey, 1994; Shaffir & Stebbins, 1991). They have suggested the value of developing research protocols, providing training for assistants, designing data collection and analysis forms, and having interview guidelines, although they believed that sometimes such preparation impedes open dialogue. Since fieldwork was to be conducted in a less-developed Asia-Pacific country these were prepared (Appendix 1).

The Cognitive Interview Technique

One interview method that has gained the attention of social scientists and psychologists for its ability in assisting the accurate recall of events is The Cognitive Interview Technique (CIT). It was originally developed in the 1970s to assist eyewitnesses to recall real-life events. It has since been used in public health investigations (Fisher & Quigley, 1992) in relation to medical procedures (Mantwill, Kohnken & Aschermann, 1995), and in investigations of other social events. The

CIT is based on the notion that memory recall can be enhanced by guided interviewing. A set of strategies has thus been designed to assist a researcher to improve an individual's memory (Bekerian & Dennett, 1993; Fisher & Quigley, 1992; Mantwill et al., 1995).

The following CIT strategies were adopted for the proposed fieldwork.

- Reinstatement of context: Open-ended questions and scene setting by the researcher were used to help memory recall. These steps have parallels with my understanding of the role of cognitive structures in guiding perceptions that emerged from Chapter 2.
- Full reporting: Participants were encouraged to discuss everything that came to mind, regardless of whether they thought it was relevant or important.
- Recalling in a different order and different ways. Both of these recall strategies required asking participants to look at the situation in a different way with the aim that this would help them remember more details.

3.4.2 Observation

Observation was also considered appropriate for gaining data about international buyers and sellers. This is common to most grounded ethnographic studies.

Non-participant observation began prior to full-time fieldwork, as communication difficulties with potential research sponsors (another legal restriction for overseas scholars planning to conduct investigations in Indonesia) meant several

pre-research visits were needed. On reflection, the difficulties experienced in meeting official guidelines are not surprising. It is common for many non-Western cultures to prefer face-to-face communication (Chapter 2, Table 2.3). These early visits, while initially frustrating, proved an ideal way of getting accustomed to Indonesian life before full-time fieldwork began. As Penaloza (1994) noted, this helps the researcher gain greater sensitivity to another culture.

Observations were recorded in handwritten form, as notes or memos as questions and thoughts for further consideration arose. Regular visits were paid to local markets, tourist shops, local homes, woodcraft manufacturing sites, and local religious events. Compared to interviewing, these observations provided a 'backstage' look at the lives of participants. This position is only privy to those researchers who have the time to establish trust and rapport with those they study (Goffman, 1959).

3.4.3 Expert Opinion and Local Texts

In-depth interviews and observations were supplemented with local texts and expert opinion, to provide more details and another view of international buyer-seller interactions in Indonesia. Details about suitable business and cultural experts, and texts were only established after full-time study began.

A New Zealander in business in Indonesia for more than ten years provided the first assistance in expert identification. Correspondence with this person (Fitzgerald, 1996, 1997) and discussions with the New Zealand trade department (TRADENZ)

led to the identification of a list of potentially suitable research sponsors in Indonesia. In fact, this snowballing of information and support gathered gradual momentum once a site for the study was identified. Contacts via colleagues and acquaintances, in New Zealand and in Indonesia were critical to the success of this research.

Local Indonesian fictional and non-fictional texts were sourced for details about the local culture and way of life. These provided contextual rather than specific information about international buyers and sellers. Useful books and articles included Collins (1992), Cukier-Snow and Wall (1993), Dahles and Bras (1999), Dana (1999), Eiseman (1990a, 1990b), Howe (1980), MacRae (1992), Mann (1994), Picard (1990), Timothy and Wall (1997) and Weiss (1993).

3.4.4 Checklist Considerations

A critique of the literature about IMR buyers and sellers (Chapter 2. 3) revealed a paucity of real-life IM studies. It was apparent, though, that there were a considerable number of researchers and authors who had published accounts of how to do business successfully in foreign environments (Chapter 2.3). Most offered quite simplistic explanations about what to expect when conducting business offshore and were predominantly written by authors from one culture about another.

An examination of “How to Do Business in Indonesia” books identified a number of common themes. From these, twelve statements were developed into a checklist to use during fieldwork. (This was viewed as yet another source of data

from which this study could draw.) This was first written in English, then translated into Bahasa Indonesian by an Indonesian postgraduate student in New Zealand. Another Indonesian contact then back translated it into English to ensure it reflected the initial text and made sense (see Appendix 2). This checklist was used during in-depth-interviews.

In the next section issues relating to interpretive research quality are discussed, attention focusing on the key criticisms of this type of research. In response to these concerns, several measures of interpretive research quality are outlined to guide the development of this study.

3.5 Interpretive Research Quality

What constitutes research quality differs substantially between traditional IM and interpretive research philosophies because both are based on quite different assumptions and values (Chapter 2.5). Unlike traditional marketing, this study did not aim to generalise findings to a wider population, to establish cause and effect, or the 'true' nature of foreign marketplace experiences. It centred on establishing Balinese participants' stories about their international marketing experiences, establishing their foreign buyers' experiences of purchasing woodcraft in Bali, and understanding these relationships. This understanding, considered in context, will be compared to the findings of current IM relationship studies (Chapter 2, Tables 2.2 and 2.4). It is anticipated that this alternative IM view will help extend existing theoretical knowledge in this area.

3.5.1 Criticisms of Interpretive Research

Interpretive researchers do not seek to make broad generalisations and establish cause and effect. They seek to understand and explain the social nature of life from participants' perspective. Despite this, Catterall (1998) noted, positivist measures of research quality are still being applied to interpretive research. This is largely because few marketing scholars address the issue of research philosophy. For example, de Ruyter and Scholl (1998) recently examined qualitative research, suggesting it required rigour. This is important. These scholars vacillated though between positivist principles and those of interpretism, seemingly unaware they were doing this. They expressed concern about construct 'correctness' and 'optimal operationalisation' while at the same time calling for insight and flexibility. It is difficult to achieve both breadth and depth with one method. Further, while these academics may be advocating a multi-paradigmatic approach they do not discuss this matter, although the first two terms they used imply a positivist philosophy.

Consideration of research quality must, first and foremost, be anchored in the research philosophy being assessed. In this next section some of the typical arguments levelled against interpretive researchers are discussed before measures of the quality of this type of research are discussed.

Hermeneutic Quality

Hermeneutics was the key research philosophy adopted for primary research. Schwandt (1994) observed that good hermeneutic interpretations are thorough,

coherent, comprehensive, and useful. Arnould and Fischer (1994, p. 64) provide more detailed guidelines, suggesting that good hermeneutic interpretations;

- are clear and free of contradictions
- document themes
- have relevant examples
- show a command of relevant literature and tradition
- should be understood by the reader. This has to be communicated in light of their pre-understanding
- should enlighten, revealing new dimensions of an issue that potentially lead to revision of pre-understandings
- should be persuasive, interesting and appealing

This study aimed to achieve these goals. In the following section attention turns to examining the typical criticisms levelled at interpretive scholars.

Researcher Omnipotence

Hardy and Clegg (1997), and Jones (1998) recently criticised interpretive scholars for failing to get close to their subjects and privileging their own voices over those of participants. This is a common criticism of this type of research. Striking the appropriate balance between the voice of a researcher and research participants depends on the philosophy of a scholar and their task. Even well known anthropologist Margaret Mead's portrayal of Samoan life and Clifford Geertz' depiction of Balinese cock fighting have since been found wanting in this matter (Jones, 1998).

Considerable care was taken to ensure participants' stories were told in the primary research but issues surrounding my research goals and the norms of my research community loomed large.

This research was intended as an interpretive example of IM relationships. The understanding that emerged from this study was then to be compared to current IM relationship studies (Chapter 2, Table2.2) to help extend knowledge in this domain. To this end, the decision was made to include participants' stories in text when they illustrated either general themes or stories, or deviations from these. This balance is also considered suitable, given my research community and the likely readers of this text.

Too Subjective

Detractors of interpretive studies argue the researcher is too close to their subjects and research results are thus suspect (Hill, 1993; Borman, Le Compte & Goetz, 1986; Penaloza, 1994; Yeung; 1995). Concerns about 'going native' fall into this category.

Most grounded theorists and ethnographers value personal contact as they aid their understanding of events. This is true in hermeneutics as well. 'Going native' is not an aim or, indeed, considered possible by these groups of scholars for it is believed that one never totally becomes an insider in another culture, rather one tries to obtain an "over the shoulder" view of participants (McGrath, 1989). As Borman

et al. (1986) and Hill (1993) observed, this requires on-going introspection by a researcher about what is happening in the field.

Input from research assistants, supervisors, expert opinion, prior theoretical knowledge and occasional withdrawal from the field all helped shape the interpretation that emerged in this study.

Generalisations and Replicability

Reliability and generalisation are important positivist concerns, necessary for research replication, prediction, and control. These are not issues for interpretive scholars. Instead they seek transparency in the research process - full documentation so that a study is clearly understandable to a reader (Borman et al., 1986).

Following the suggestions of Hardy and Clegg (1997), Miles and Huberman (1994), and Silverman (1993) every effort was made to provide systematic evidence of fieldwork. This involved-:

- explaining pre-field activities and considerations,
- explaining data gathering, summarising procedures, and coding,
- outlining the interpretive process,
- providing illustrations of analysed data,
- explaining how conclusions were reached,
- ensuring researcher and research assistant familiarity with research objectives and methods,
- ensuring every effort was made to understand the local culture, and

- being professional, yet adaptable, throughout the research.

Value-laden

This is a common criticism of interpretive research (Borman et al., 1986).

What such scholars overlook though is that all research is in essence value-laden (Chapter 2.4). In positivism, for example, a researcher's choice of theory, hypotheses, data analysis procedures, and writing style are based on what is considered important by a scholar, and their belief that they are in control of themselves and their world (Chapter 2, Table 2.3). As Guba and Lincoln (1994, p. 107) noted:

Just as theories and facts are not independent, neither are values and facts.

Indeed, it can be argued that theories are themselves value statements. Thus, putative "facts" are viewed not only through a theory window but through a value window as well. The value-free posture of the received view is compromised.

The values and beliefs underpinning this study are discussed openly throughout this thesis and are open to comment.

Validity

In traditional marketing research internal and external validity are of prime concern. Here they aim to establish cause and effect, and predictive power.

Interpretive researchers seek validity in their research, although it does not mean the same thing as it does to a positivist scholar.

Grounded theorists and ethnographers seek external validity by gaining peer or expert approval of interpretations. Logical validation is also part of this aim. This refers to the ability to convince a reader of the interpretation that is presented. This is achieved by careful data examination and reduction, a constant comparison of emerging categories with information from different sources, and theoretical sensitivity via selective literature sampling (de Burca & McLoughlin, 1998). Bate (1997) observed that valid interpretive research has a 'being there' quality. Local Indonesian business experts, a field interpreter, research supervisors, and participants provided the hermeneutic circle through which interpretations were tested.

Guidelines for conducting and assessing interpretive research are still being developed (Guba & Lincoln, 1994). This situation can partially be attributed to the fragmented and evolving nature of interpretive philosophies (Catterall, 1998; Lincoln & Guba, 1994; Richardson & Fowler, 1998). While there is general agreement among interpretive scholars that reliability and validity are important to all research, triangulation has also been suggested as another way to ensure interpretive research quality. This is now discussed.

Triangulation

Inductive scholars use triangulation as a means of ensuring research rigour. Data, investigators, methodologies, and theories can all be triangulated (Tucker, Powell & Meyer, 1995; Yeung, 1995), although commonly only methodologies are triangulated in marketing research. As Guba and Lincoln (1994), Miles and

Huberman (1994), and Silverman (1993) observed, triangulation gathers information from a variety of sources to help broaden, deepen, and add insight by giving complementary views of a situation.

This study provided an opportunity to triangulate positivist (Chapter 2) and interpretive philosophical (Chapter 3) approaches to IM relationship research (Chapter 4). It is hoped that this multi-lensed view will extend the findings of the narrow body of IM research in this area.

In Chapter 2 existing IM relationship research was examined. This will be compared to fieldwork findings in Chapter 4, and then both will be re-examined in relation to relevant non-marketing theories in Chapter 5. It is anticipated this theoretical triangulation will also assist develop IM relationship theories in this final chapter as well (Chapter 5).

Triangulation of method - in-depth interviews, local texts, discussions with experts, and observation – are a standard interpretive step. Data gathered from all of these sources informed the sifting, reduction, and constant-comparison processes that were everyday procedures during this fieldwork.

In the final sections of this chapter operational issues are discussed since international research typically confronts a researcher with many unfamiliar situations and problems (Yeung, 1995).

3.6 Operational Issues in Fieldwork

The multiplicity of problems faced by international researchers probably accounts for the paucity of marketing studies in this domain (Usunier, 1996b; Yeung, 1995). This is particularly difficult when a scholar chooses to conduct research in a developing country and with participants from a very different cultural background to themselves, as was the case in this study (Dana, 2000b).

3.6.1 Cultural Differences

Because of the significant cultural differences likely to be faced during fieldwork, these were of major consideration before primary research began. As identified in Chapter 2.3 (Table 2.1), there are significant differences between Western value systems and those in Indonesia. While it is inadvisable to label cultures as simply Eastern or Western, expecting these groups to be homogeneous, it is a useful categorisation at the initial stages of an inquiry.

Pre-field understanding led to the conscious decision to leave as much cultural baggage behind, as was possible. Further, "...be as flexible as possible and seek local advice", was a key principle adopted for this grounded ethnographic study. This sounds easy. In reality, however, no-one can leave his or her cultural upbringing entirely behind. All a researcher can do is to make a conscious effort to be reflective, aware, and not make assumptions about what occurs in the field. In preparation for this study, the following potential cultural differences were noted.

Differences toward Time

Time is traditionally viewed in the East as limitless and of less importance than personal relationships (Usunier, 1996b; Wong, 1986). In the West it is seen as precious and is carefully managed (Chapter 2, Table 2.1). In Indonesia, therefore, one had to allow plenty of time for assessing participants, setting up meetings, and identifying participants.

Face and Harmony

Pre-field visits to the research site and information gleaned from local texts had clearly indicated that saving face and harmony were important values in Indonesia. It was, therefore, carefully noted that 'being honest' and expressing one's feelings may be appropriate in New Zealand but was unsuitable in the field.

Language and Interpreter

This research could not be conducted entirely in English, since most participants' first language was Bahasa Indonesian. Bahasa Indonesian language classes began at night school in New Zealand in 1996. This was followed by full-time language lessons in 1997, once full-time fieldwork began (Appendix 3). A local research assistant was also employed, to help as an interpreter. Jameson (1994), Usunier (1996a), and Yeung (1995) have all provided strong support for such a person in international research. Local research assistants help overcome language barriers, and can help a foreign researcher understand information or emerging research themes. During pre-field visits to Indonesia a suitable local was identified to assist with fieldwork- a Balinese woman fluent in English, the local dialect

(Balinese), the national language, Bahasa Indonesian, and with a Masters degree. She also assisted with cultural understanding, accessing participants, and acted as a sounding-post for my self-reflections and emerging understanding of local life.

Contacts

Contacts were recognised as vital to this study from the outset. Prior to leaving New Zealand, it was apparent that door-knocking or phoning potential participants and experts would not work in Indonesia (Draine & Hall, 1986). It was also clear that local gatekeepers were probably going to be critical to the success of this international study (Lofland & Lofland, 1984; Shaffir & Stebbins, 1991). A conscious effort was made to develop these at every opportunity during fieldwork.

Conducting Research In Indonesia

In Western developed countries a visiting scholar simply makes travel and accommodation arrangements, and then begins phoning and calling on potential research participants once they are on site. This is not the case in many developing countries, including Indonesia. It is also necessary to have permission from the government to conduct research. This carries with it a number of restrictions and obligations. Appendix 4 overviews the process a foreigner must go through to conduct research in this country. It is a good illustration of the hierarchical nature of Indonesian society and was an “eye-opening” introduction to local bureaucracy and life. In fact, some 18 months lapsed between my first inquiry to the Indonesian Embassy in New Zealand until I received my research visa – or yellow card. This

process may have taken longer and cost much more money if a New Zealand business consultant working in Indonesia had not stepped in to help.

3.7 Site and Participant Selection

The IMR literature review (Chapter 2.3), and the resulting research objectives and questions (Chapter 2.6 and Chapter 3.3) confirmed the need for full-time immersion and a semi-grounded ethnography in a developing South-East Asian country. Specific site selection details are now outlined.

3.7.1 Asia

As outlined in Chapter 2 (Table 2.3) there are significant differences between Eastern and Western value systems. Further, a review of the literature revealed that most international marketing research was conducted by Western scholars, about Western buyers and sellers (Chapter 2.3) with few studies set in South-East Asia. Since a semi-grounded market ethnography had been decided on (Chapter 3, Section 4) it was decided to locate in Asia.

South-East Asia

This region was close to New Zealand and had not been extensively explored by any international marketing scholars. It was also becoming increasingly important to New Zealand trade. For these reasons South-East Asia was singled out as appropriate for closer investigation.

Indonesia

This is the largest country, per head of population, in South-East Asia, is the closest Asian nation to New Zealand, and was identified as having potential sponsors and contacts which were considered critical to the success of this study, even before full-time fieldwork began (Appendix 3).

Bali, Jakarta, or Jogjakarta

Contact was made with TRADENZ (the New Zealand Government trade department) in Jakarta, the Indonesian capital, to get advice about reputable research sponsors as any foreigner wishing to conduct research in Indonesia must have a local sponsor from an Indonesian research institute to oversee and vouch for their work. They recommended universities in Bali, Jakarta and Jogjakarta. All three also had international or major airports, a strong industry base that could be investigated, and were familiar with hosting tourists and other foreigners, which made them suitable research sites.

Denpasar, Bali

A New Zealand colleague provided two contacts at Udayana University in the Balinese capital of Denpasar, one of the universities TRADENZ Jakarta had recommended. For these reasons, this site and university were selected as a research base. It took almost eight months, however, for this decision to be supported by Udayana, a process that was both costly and frustrating. It meant two unscheduled visits to Indonesia before full-time study began (Appendix 4).

Interview Location

It was not possible to precisely identify a research site or potential research participants until after access had been gained to the field full-time and after local contacts had sufficient trust of my intentions to feel comfortable providing introductions to potential participants. This was recognised pre-field entry. It was also anticipated that any interviews and observations needed to be within an easy day's trip from Udayana, the sponsoring university.

3.7.2 Selecting Interview Participants

An examination of the IM relationship literature revealed these studies had primarily focused attention on big business and well-educated international marketing representatives or managers. There was a distinct paucity of investigations of small business owners who were involved in international trade (Chapter 2.3, Table 2.2). This led to the decision to conduct in-depth interviews and observations of small business operators in Indonesia with international experience. Since contacts and introductions were noted to be central to access to this group, local university and business acquaintances were asked to help find suitable participants.

Participant Characteristics

A key objective of this study was to understand the IM experiences of small business owner-managers from Indonesia, and those of their overseas associates. Potential Balinese participants with experience buying or selling to foreigners were sort first, since this study primarily sought a non-Western and less developed

worldview. It was also anticipated that local Balinese participants would be more difficult to gain access to because as an outsider I did not have established relationships or credibility. It was not important whether they were manufacturers, distributors, or retailers, rather that they were willing to be involved with this investigation and were able to spend considerable time being interviewed.

Participants were identified using a snowballing procedure. Draine and Hall (1990, p. 189) had noted friends and acquaintances were central if a foreigner wanted to conduct business in Indonesia. Snowballing and purposive sampling also have the advantage of researcher control of suitable informants as the study unfolds (Miles & Huberman, 1994).

Participants and their Businesses

As was identified in Chapter 2.3, IMR had largely overlooked small business-owners. Since small businesses were recognised as important to the development and growth of many economies, interviews were decided to be held with these owner-operators. Further, since no clear-cut Indonesian definition of small business was available, interviews were also decided to be focus on owner-managers with less than 15 full-time employees.

Once fieldwork began, a local adviser provided an introduction to a Balinese owner-manager of a woodcraft manufacturing and distribution outlet. Local statistics had identified that this industry made a significant contribution to the local Balinese economy (Appendix 5); thus, Balinese sellers of woodcraft products to international buyers became the focus of this investigation. Foreign business buyers of Balinese woodcraft products were then targeted after this decision had been made.

Where possible, real-life dyadic relations between Balinese woodcraft manufacturers and their overseas buyers were explored.

Number of Participants

All interpretive researchers aim to provide rich descriptions rather than to make generalisations or to provide statistical data as traditional marketers do. De Burca and McLoughlin (1998), and Easton (1998) suggested that theoretical saturation should provide guidelines as to the appropriate number of participants or cases. Eisenhardt (1989, p. 83) suggested that such a decision should be based on considerations of time, money, and the point at which any additional information yields repetitive patterns and themes.

A total of eight Balinese owner-managers of small woodcraft businesses were interviewed. A corresponding number of foreign (non-Indonesian) business buyers of these woodcraft products were also interviewed. Interviews were conducted over a period of between an hour and a half to three hours with each participant, and on three or four occasions with each.

3.8 Research Timetable

Unlike traditional marketing research, this study unfolded over a lengthy period of approximately four years. It involved three phases- pre-field activities, full-time immersion in Indonesia, and post-fieldwork (Table 3.1). This extended time frame, typical of interpretive studies, increases the likelihood the researcher will observe revealing incidents that can provide insights into the world they are studying

(Arnould & Wallendorf, 1994). In this instance, pre-field preparation took nearly a year because of Indonesian Government requirements for a research visa and local sponsorship. These matters are documented in Appendix 3.

3.8.1 Pre-field Preparation (1994-1996)

This began in 1994 and ended in late 1996 (Table 3.1). It included gaining conversational language skills (Bahasa Indonesian), a research visa, and getting the sponsorship of an Indonesian research institute at Udayana University. Local contacts were developed at this stage, as well as propositions, data collection forms and protocols (Appendices 1 and 2). A local research interpreter and an Indonesian-based New Zealand consultant were also hired to assist with these field entry tasks. The latter's services were provided at a minimal fee and, while this additional cost was unexpected, this consultant's assistance helped to speed up the visa application process considerably.

3.8.2 Full-time Fieldwork, January-August, 1997.

This began unexpectedly. Several days prior to entering Indonesia, government officials responsible for all foreign researchers advised that it was necessary to go to Jakarta, the capital city, to sign documentation (Appendix 4). This process then had to be repeated in government departments in Bali. Even though I was aware of the hierarchical nature of many Asian cultures, this requirement came as a surprise. Balinese officials finally provided a foreign research visa two weeks after full-time field research began.. This had to be carried

at all times, in case Indonesian police or immigration wanted to establish the status of a foreigner in Indonesia (see Table 3.1 and 3.2).

Almost seven months were spent full-time in the field, eight months altogether including post-field work.

Table 3.1: Research Framework

	1994	1995	1996	1997		1998
Time frame	November	April- November	June and November	February-June	September- October	Write up
Stage of Involvement	Part-time Non-participant observation		Part-time participant observation	Full-time Field Work	Research Closure	
Marker Events	Marketing literature review	First meetings with Udayana sponsors	Evening language lessons in Bahasa Indonesian	Full-time language and cultural classes	Interviewee Comments	
	Proposition development	First meetings with research assistant	Second visit to Udayana and research assistant	Visiting local markets		
	First visit to Indonesia	Applications to Indonesia for research permit well under way by April	Asia 2000 Business Fellowship Funding	Sample population selection and rolling sample		
	Development of Research Proposal and revision	Paradigm concerns and decision to follow an inductive philosophy	Examination of inductive research	On-going interviews		
			Revisions of propositions and proposal	Observations		
				Discussions with experts		
Researcher Tasks	Outsider "tourist" at events/markets	Outsider observation of manufacturing and retail outlets	Building relations with local supporters	Beginning to discern categories		
		Practising language with locals	Researcher debriefing	Addressing propositions		
				Deepening discussions with informants		
Researcher Involvement	Anticipation, culture shock, then cultural fascination		Beginning to feel less self-conscious	Living and developing empathy with locals		
				Not self-conscious		
				Switched time frames (NZ→Indonesian)		

3.8.3 Post-field Research

In late 1997 and for a brief period in May, 1998, research participants were revisited to clarify some of the themes and plots that had emerged from field interpretations. If time spent in Indonesia during pre-field research, full-time fieldwork, and post-field activities in Indonesia are combined, a total of approximately ten months was spent immersed in the field.

Table 3.2: Key Activities in Full-time Fieldwork

Date	Activities
February, 1997	*Bahasa Indonesian language and cultural classes (full-time 8 weeks) * Non-participant observation * Briefing research assistant
March, 1997	*Part-time language and cultural classes *Non-participant observation (markets, retail outlets, small businesses, local daily life) *Identification of potential participants –woodcraft manufacturers *Discussions with local experts *Assistant researcher training (CIT, interview guidelines)
April, 1997	*Interviews with woodcraft manufacturers *Emerging themes tentatively noted *Non-participant observation
May-July, 1997	*On-going interviews with participants *Examination of local texts *Interview themes/patterns discussed. Used as basis for follow-up interviews) *Development of first-stage data coding
July-August, 1997	*Further participant interviews and discussions with local experts *Data analysis/interpretation with research assistant *Field closure

CHAPTER 4

AN INTEGRATED SUMMARY OF DATA

INTERPRETATION

4.1 Introduction

This chapter details how data collected in Indonesia, during a field-study of owner-managers of small woodcraft business and their foreign buyers, was interpreted.

Analysis is presented at three levels, beginning with scene setting at Level 1. This provides a description of the location in which this study took place and contextual issues arising from fieldwork that are pertinent to Balinese seller and foreign buyer relationships. Level 2 starts with an introduction to the Balinese woodcraft sellers and their international business buyers that participated in this study, examining their demographic characteristics, and general buying and selling behaviours. The relationships of Balinese woodcraft sellers and their foreign business buyers are then explored. Next, at Level 3, analysis shifts to address the key themes and story lines underlying and influencing participating buyer and seller relations. Data gathered from participants about doing business in Indonesia and pre-field propositions (Chapter 3 and Appendix 2) are also included here. The chapter concludes by comparing the key themes and stories of buyer and seller relationships with the existing IM relationship research (Chapter 2).

Table 4.1: An Integrated Interpretive Framework

Level 1 Interpretation <ul style="list-style-type: none">➤ scene-setting; Bali, Sanur, and Gianyar-interviews➤ contextual issues arising from field work discussed
Level 2 Interpretation <ul style="list-style-type: none">➤ an introduction to participating buyers and sellers➤ international buyer and seller relationships
Level 3 Interpretation <ul style="list-style-type: none">➤ key relationship themes and story lines➤ IM relationship research -where to now?

Several issues surrounding the interpretation of data had to be clarified before analysis began.

- Chapter 2 established that this study would be interpreted using the pre-understanding of IM relationship research (see Tables 2.2 and 2.4). This allows a clear comparison to be made between the findings of this predominantly positivist body of research and the results of this interpretive example. Chapter 5 then explores non-marketing research that may shed light on any fieldwork findings that cannot be explained by the existing IMR. (This research framework was described in Chapter 1, Figure 1.1).
- This study was intended as an example of how a different research philosophy and methodology could extend existing IM relationship research. Thus, sorted field data are summarised in table form for clarity and in consideration of the likely audience of this text. Participants’ voices are used to illustrate identified themes and any deviations from these.

4.2 Level 1 Interpretation: Scene Setting and Contextual Issues

This section provides an introduction to the region of Gianyar in Bali in which this field study took place. Following scene setting, contextual issues relevant to Balinese woodcraft seller relations with their international buyers are explored. This includes an overview of the Balinese woodcraft industry and key values of Balinese Hindu.

4.2.1 Scene Setting

Bali is a relatively small island (5602 square kilometres) but home to more than 2.7 million people (Figure 4.1). This makes it one of the world's more densely populated areas and, while the people from this island represent a tiny proportion of Indonesia's (Appendix 3) 200 million plus citizens, its special appeal to this study was its relatively homogeneous ethnic base. Some 95 percent of the Balinese population are Balinese Hindu (Wheeler & Lyons, 1994). As discussed in the previous chapters, it is believed that ethnicity is a more relevant construct in IMR today, than the national cultural construct that IM scholars had previously used. It was anticipated that this would provide a clearer understanding of how values may impact international marketing relationships.

The Balinese economy relies heavily on agriculture and tourism, including tourism-related manufacturing (Appendix 5). The latter industry is concentrated in several areas, designated by national and regional development plans. These are mainly in the south, in the towns of Kuta, Nusa Dua, and Sanur. Ubud, in the central hill country, is another tourist spot, as to a lesser extent are Candidasa (pronounced Chandidasa) and Lovina on the eastern and northern coasts. Fieldwork was

conducted in the southern, seaside tourist town of Sanur and in the nearby arts and crafts district of Gianyar (Figure 4.1).

Sanur was my base. Here I lived with locals over seven months. Typical daily scenes in this area have been summarised and are presented in Appendix 6, since they provide indirect information about the subjects of this study and their relationships.

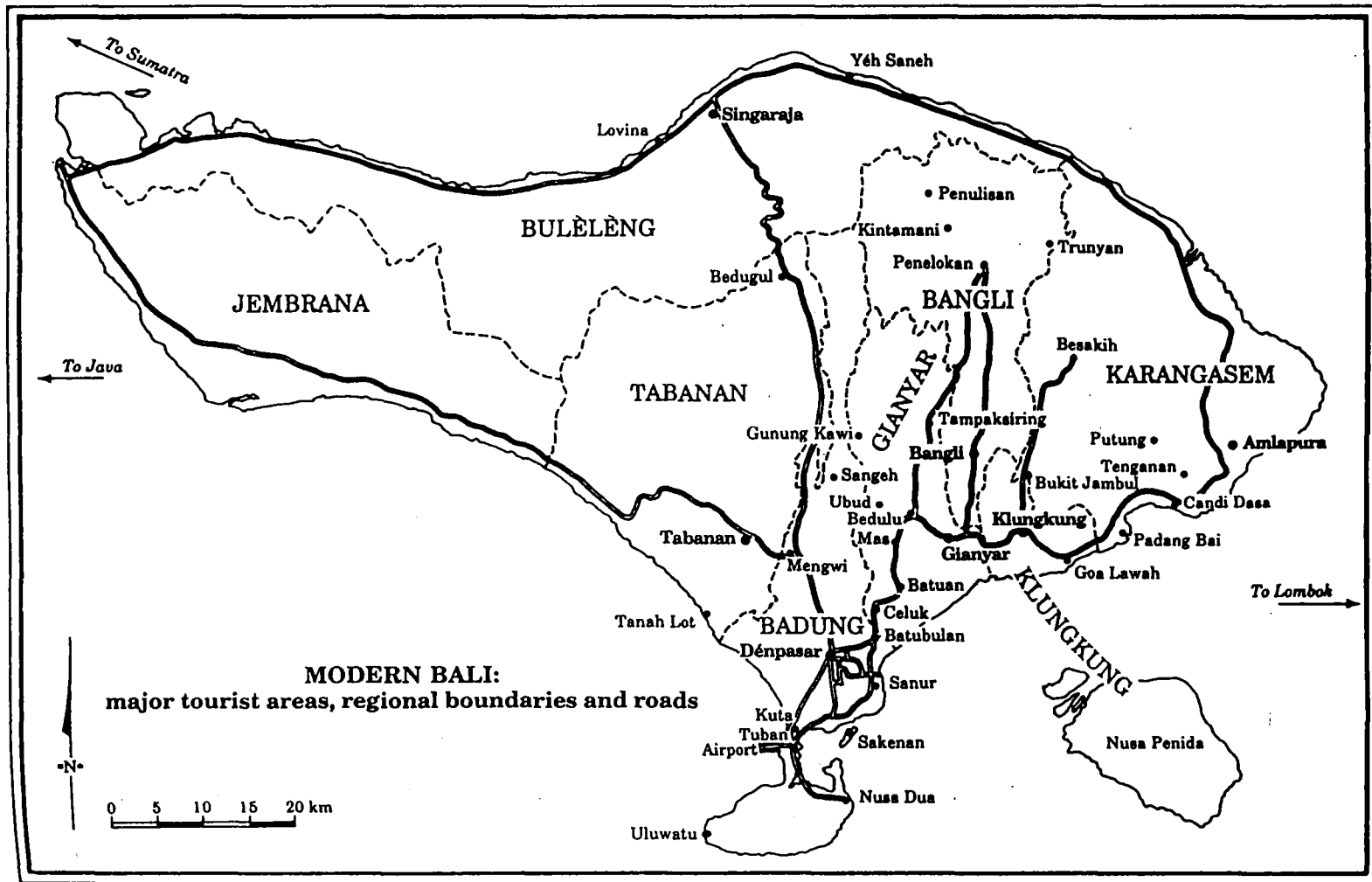
Slightly further inland from the southern tourist hub on Bali, some 15-30 minutes depending on traffic jams, lies the region of Gianyar where most of the interviews with local small business sellers and their foreign buyers took place (Figure 4.1). This scene is now described.

Gianyar

This district is the home of arts and crafts, and small-scale manufacturing. It lies on the main northern excursion route travelled by holidaymakers as they head north from the main tourist enclaves of Kuta, Nusa Dua, and Sanur. Soon after leaving the capital of Denpasar arts and craft shops, small factories, and a variety of retail showrooms appear on both sides of the main road. There are literally thousands of these, strung out along the highway in a ribbon-like fashion that continues inland, almost up to the central mountains (Figure 4.1). These outlets are most densely concentrated close to the capital city and the satellite towns of Sukawati, Batubulan, Mas, Celuk and Ubud. This is prime real estate – location being the main way many local producers and retailers attract customers.

There is clear evidence of specialised arts and crafts production by area or desa (villages) in Gianyar. This is not a new practice. It is centuries old. (An overview of the place of arts and craft in Bali's history is discussed in the next section.)

Figure 4.1: Map of Bali



Sukawati, Batubulan, Celuk, Batuan, and Mas

After leaving the main southern tourist towns of Kuta, Nusa Dua, Sanur, and the capital, Denpasar, heading north along the narrow, one-lane main road, one first passes through the towns of Sukawati then Batubulan (Figure 4.1).

Sukawati is well known, both inside Bali and beyond, for its arts market, although it also specialises in wind chimes, and woven basketry. After mid-morning, nearly every day of the year, the main road surrounding this market is bottle-necked, jammed full of coaches, vans, and cars, unloading local and overseas tourists all intent on purchasing souvenirs to take home. Village ceremonies, commonplace along many local streets, often add to these delays, although police and public and private traffic wardens do their best to keep some semblance of order. ‘Ada upacara’ (ceremony here) or ‘hati-hati ada upacara’ (watch out, take care, ceremony) signs also alert drivers to the mayhem ahead, so they can prepare to stop or, alternatively, find back street routes. Most locals travelling by car actually pre-plan their movements, where possible, by beginning earlier in the day. Motorcyclists are far less concerned with such issues, for they can weave their way quickly through queues. The central role of the Sukawati market in local trade is discussed in the next section.

Batubulan is the next northern town. It specialises primarily in stone and concrete sculptures, and is also known for its various dance troupes. Modern and traditional Balinese sculptures – frogs, gods, goddesses, naked maidens, and ugly dwarf-like figures with huge penises and long straggly hair – all jostle for space

along both sides of the northern road. Any pedestrian brave enough to walk along the road verges here, has to constantly keep alert for all kind of dangers that may cross their path. Not only do they have to contend with jumbles of displayed goods, there are also monsoon ditches, and Kamikaze drivers who regularly try cross-country driving to edge ahead in traffic jams.

Further north still are the towns of Celuk, Batuan and Mas. Celuk (pronounced Chilook) is the home of a host of goldsmiths and silversmiths. These are frequently large and ostentatious establishments, compared to those in the other satellite areas, with ample off-street parking and a bevy of traditionally dressed young sales hostesses. The sheer size of many of these outlets is testimony to the wealth that they have accumulated over the years. When fieldwork took place, however, the boom days of the arts and crafts manufacturing centre appeared to have waned and there were signs in the wider regional and national environment that leaner times were to come¹.

Batuan, a painting centre, is the next northern town, followed by Mas, which means 'gold' in Indonesian, but is actually a mask-making centre. Batuan is also recognised for its finely carved doors and wall panels. In the general area of these towns the scene is much the same as before, although bright, gaudily-coloured paintings and grotesque masks now beckon the passing traveller. The traffic is a little thinner too, especially compared to the chaos that surrounds the Sukawati market.

¹ In 1997 when fieldwork took place, the country was hit by the Asian financial crisis and was facing increasing internal socio-political instability.

Ubud, Tegallalang, and Tampaksiring

Ubud, a sprawling hillside town, is the next town north, well known internationally for its community of painters and expatriate residents. Locals in this area are typically well off, compared to the average Indonesian. Prior to the arrival of foreigners, villagers lived in small tightly knit groups, farming the fertile surrounding hillsides, made rich by past volcanic activity. Beginning in the 1920s and 1930s, foreigners from Europe and North America began visiting the island, some settling in Ubud because of its cooler climate and slower lifestyle, while others were attracted by the local culture. To begin with, wealthier, often high caste locals started hosting these new arrivals, as was the custom in the area. As increasing numbers of foreigners began to arrive some Balinese realised that there was a profit to be made in providing them with accommodation or catering to their other needs. Arts and crafts shops sprang up and what was once produced for the gods was now sold. The island has continued to commercialise, however, traditional institutions, like the banjar², have continued to play an important role in local life, helping them to deal with the problems associated with a burgeoning population and outside influences (Eiseman, 1990a; Picard, 1990; Darma Putra, 1997; Fitzgerald, 1997-1990).

Past Ubud, heading north again, one passes through Tegallalang and Tampaksiring (Figure 4.1). Like the other towns before, these are really a collection of villages and banjars rather than what is known as a town in the West. The stifling

² In Bali a dual administration system is evident. Traditional banjars, administrative groups, still operate in the villages alongside national and regional interests.

tropical heat of the coast now gives way to cool mountain air, traffic and roadside retail outlets are less densely packed, and rice-paddies and terraces can now be more frequently seen, although these are constantly in danger of being swallowed up by new businesses. This is the home of the island's woodcraft producers and it is here where the owner-managers of small woodcraft businesses selling to foreign business buyers were interviewed.

There are literally hundreds of these, squashed side by side for several kilometres, for a potential buyer to choose from. One enters the smaller of these woodcraft premises by simply pulling to the side of the narrow one-lane northern road and stepping straight in through the front door.

Many of the older of these establishments look much the same, except for nameplates which are typically hung above or beside their entrances. Products dangle over external walls, dust covered after years of exposure to the elements. Piles of wood carvings clutter front doorways and mountains of wood ware jostle for space in small foreground windows. Inside every imaginable space is covered with products for sale, the designs of these are testimony to the age of these establishments and what used and what currently sells well. There is no such thing as obsolete stock here. Newer showrooms have a far less jumbled look and typically have larger glass frontages, and brighter, simpler, and more spacious displays. The larger of these woodcraft outlets are commonly set back from the road, with parking facilities directly in front for the safety and convenience of their potential customers. Since land is a very valuable and scarce resource on the island, only wealthier locals can afford to provide this service. Buildings are a mixture of traditional Balinese

and European architecture, elaborately carved wooden doors and arches, marble columns and porches, expansive glass frontages, and glaring figurines set into architraves - everything about them suggesting that their owners have 'made it' commercially.

After Tegallalang the road climbs steeply inland, up to Ganung Batur (Mount Batur) and Pulau Batur (Lake Batur), the surrounding land now giving way to forest vegetation, and crops of vegetables and fruit.

In the next section an overview of the Balinese woodcraft industry is provided and key cultural values of the Balinese people are introduced. This contextual information was gathered from a variety of sources; including local business and cultural experts (Darma Putra, 1997; Fitzgerald, 1996-1997; Iswara, 1998), Balinese fiction and non-fiction texts (Collins, 1934; Cukier-Snow & Wall, 1993; Eiseman, 1990a; Howe, 1980; MacRae, 1992; Pounds, 1982; Vickers, 1989; Weiss, 1993), and during observation of locals going about their daily lives.

4.2.2 Contextual Issues: The Woodcraft Industry

One can only speak in generalities about the island's economy, since, like many parts of the developing world, statistical data is unreliable or unavailable (Haley & Tan, 1996). Agriculture and tourism-related industries make a significant contribution to Bali's income, as previously noted, giving it "...one of the highest average income levels in Indonesia", (Cukier-Snow & Wall, 1993, p. 195).

Appendix Five provides a summary of tourism-related manufacturing on the island and associated revenue streams. As Picard (1996) and Cukier-Snow and Wall

(1993) observed, poverty in Bali is associated with a lack of access to tourism income and a lack of English language skills.

Art and crafts have been part of Balinese life for centuries. Even before the arrival of the Dutch, in the early nineteenth century, locals made handicraft for religious purposes and for art patrons, the latter whom were often members of royal families or high ranking citizens from the island's various kingdoms. The Gianyar region (Figure 4.1), in particular, was well known for its specialised arts and craft villages. This pattern is still evident today, although there are now a huge number of these outlets and their customer base has changed significantly over the years (MacRae, 1992; Picard, 1996).

Arts and craft shops, art for commercial rather than religious or patronage purposes, began to open on the island in the 1920s and 1930s, in response to the demand from the growing number of foreign visitors that had begun visiting Bali (Picard, 1996). These boomed in the 1960s, with the opening of the island's international airport in Denpasar (Vickers, 1989). By the 1980s sales had peaked, demand dwarfed by supplies due to low barriers to entry for new competitors, a world recession, growing unrest in Indonesia, and a decline in tourism numbers. (Picard, 1996; Vickers, 1989). The woodcraft industry was reinvigorated, however, by a new wave of local entrepreneurs who provided brightly painted woodcraft for a new group of foreign buyers.

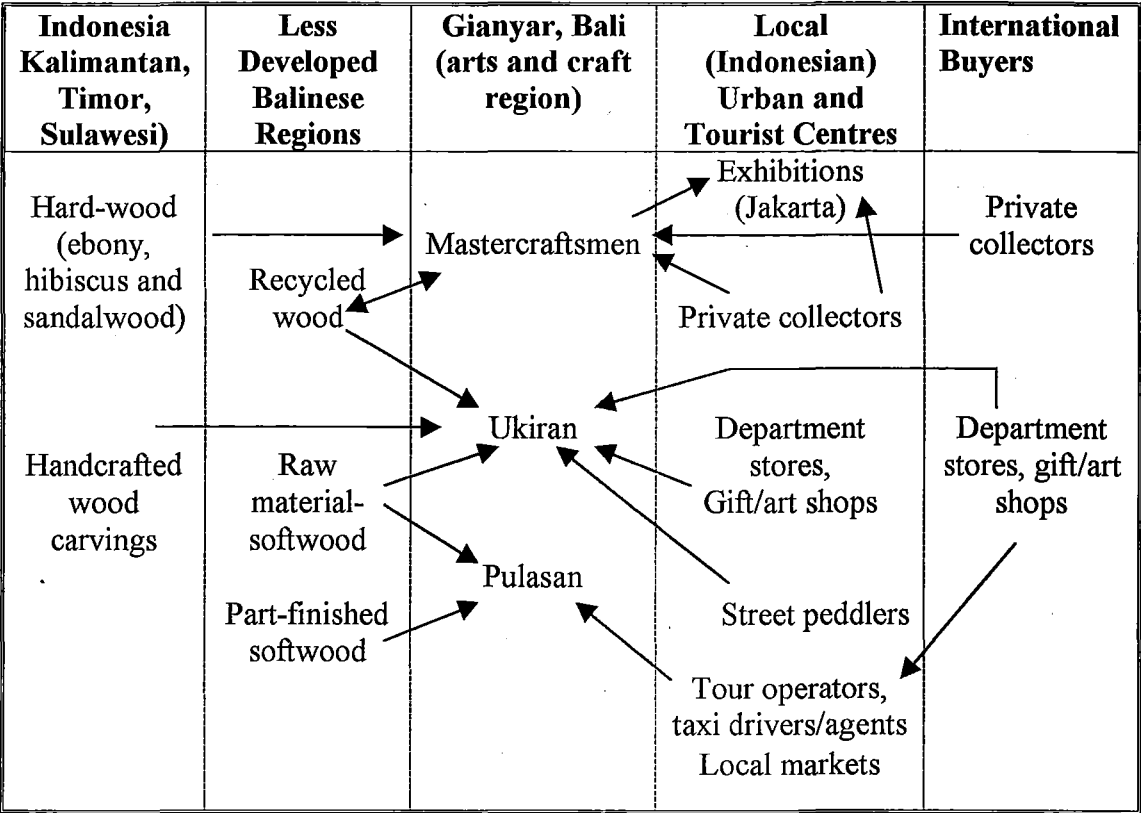
Whereas the woodcraft industry had previously been a male domain and naturally finished carvings were made in small batches or as single pieces, these new

designs were made of cheaper wood, mass produced, and hand painted in primary colours. They required little in the way of creative skill, just a basic understanding of carving and painting. This development attracted a new group of Balinese entrepreneurs frequently local women from the Gianyar region, many of whom already were familiar with carving or sculpting since their fathers and husbands were often local providers. Since limited capital outlay was also needed to make these products, except perseverance, many began making these pop art (pulasan) objects.

All this overseas demand for Balinese arts and craft additionally encouraged another group of local entrepreneurs – formal and informal intermediaries who acted on behalf of overseas buyers and Balinese producers. Some began opening their own packaging, exporting, and advisory companies in the early 1960s through to the 1980's, during the period of considerable growth in the industry. Others, part of the large informal economy on the island, acted as guides, drivers, and new 'friends', helping to bring together overseas buyers and local manufacturers. This group of formal and informal agents now exerts a powerful influence on the industry, especially as tourism numbers and the local economy have continued to decline in the last decade. As Picard (1996, p. 61) observed, some now request a commission for bringing customers to showrooms as high as 40 to 60 percent of the price of goods sold.

An overview of the current structure of the woodcraft industry is provided in Figure 4.2.

Figure 4.2: The Balinese Woodcraft Industry



As will be discussed in the next section, there are three distinct groups of woodcraft providers in this industry. These segments are characterised by the range of their products, the degree of craftsmanship they require, the quality of the wood they are produced from, the availability and cost of these supplies, the market each appeals to, the barriers to entry required to start such a company, and the number of intermediaries and competitors they attract. . These issues are discussed in more depth at Level Two of this analysis.

In the next section key cultural values of the Balinese Hindu people that are likely to impact local woodcraft seller and foreign buyer relations are explored.

4.2.3 Contextual Issues: Core Values of Balinese Hindu

More than 90 percent of the population of Bali are Hindu. Hinduism arrived in Indonesia from India just before the tenth century, integrating into local animist beliefs. In successive centuries, Buddhism and Islam were introduced to the archipelago, the majority of Indonesians gradually converting to the latter. A small number of Hindu kingdoms remained even after most Indonesians had converted to the Moslem faith, the most famous being the Majapahit Empire. Eventually, under threat from the growing power of Islam in the region, these Hindu followers fled the main island of Java in the fourteenth century, retreating to Bali. With them went their skilled artisans that were so central to their culture (Eiseman, 1990b).

Hinduism in Bali, or Agama Hindu, is not the same as Indian Hinduism (Howe, 1980; Vickers, 1989) rather it is a mix of the country's rich history. It includes elements of Buddhism, Javanese³, and animism. Like Indian Hinduism it has a caste system but not identical to that in India. In Bali this has evolved considerably over the years, especially after Dutch colonists changed the traditional roles of the different castes⁴ in order to bring their own system of law and order to the country.

There is some evidence that the three higher castes or triwangsa initially had the resources and connections to take advantage of the influx of foreign visitors that began arriving on the island after the 1920's, as was noted in the previous section. Today the caste system is only really evident on ceremonial occasions (personal communication, Darma Putra, 1997; Iswara, 1998).

³ Java is the main island in Indonesian and home to the country's capital city, Jakarta.

Harmony, Order, and Reincarnation

Central to Agama Hindu are the concepts of harmony, order (rukun and rahayu), and reincarnation. The Balinese believe that their world is likely to descend into disorder and chaos if they do not maintain balance and harmony (Darma Putra, personal communication, 1997). Illness, accidents, death, storms, and business failure, for example, are seen as evidence of an imbalance in the system, and ceremonies and rituals are the way that they seek to redress this. These are thought to appease troubled ancestors, soothe angry spirits, and encourage positive supernatural forces (Eiseman, 1990; Howe, 1980; Pounds, 1982; Vickers, 1989). Despite these efforts, the Balinese believe they that are part of a much bigger cosmos and are small players compared to the role of their central god (Ida Sanghyang Widi Wasa), lesser gods, and supernatural forces. This is at odds with the pervading view in the West that human beings are at the centre of, and can control, the universe (Walker, 1999).

In the rural areas of Bali where traditional lives were more intact, ancestral, religious and community commitments were a central part of daily life. In the urban areas these commitments did not go away. The Balinese I observed were always either preparing for or going to ceremonies, such as those to mark various milestones in the lives of their family members, like puberty, marriage and death. There were also regular ceremonies for good luck, such as when people moved into a new house or bought a car, as well as smaller daily ceremonies that took place in all households. These latter rituals involved the placing of small palm-sized offerings (canang sari), consisting of flowers, spices, and food at strategic locations, such as at entrances or

⁴ The castes, in descending order are Brahmana (the priests), Satria (the warriors), Wesia (court officials and knights), and Sudra, the rest (Vickers, 1996).

exits to buildings, or in cars – anywhere that supernatural forces could be attracted to. This latter task was usually given to the women of a household, unless they were menstruating.

These social and religious expectations were managed, alongside their Western-style jobs. They managed all these responsibilities as best they could by juggling and prioritising their commitments (personal communication, Darma Putra, 1997; Iswara, 1998). For example, religious offerings could be purchased from the market rather than made in the home. Since they were required so often, however, the more important of these were still produced for personal use, as the cost of doing otherwise was prohibitive. Furthermore, many of the Balinese I spoke to explained that greater spiritual value and good luck was associated with making these offerings. On other occasions, when their villages required help, such as repairing temples or preparing food for a local religious ceremony, they could sometimes pay a fine to their banjar in lieu of their participation. This payment, however, had to be agreed to by senior village elders. Strong cultural norms and rules enforced such decrees and obligations, for a village could prohibit a wayward member from access to holy water, cremation, or burial if they did not comply with their rulings. Since these are key foundations upon which their religion and life are based, all those spoken to always took these threats very seriously.

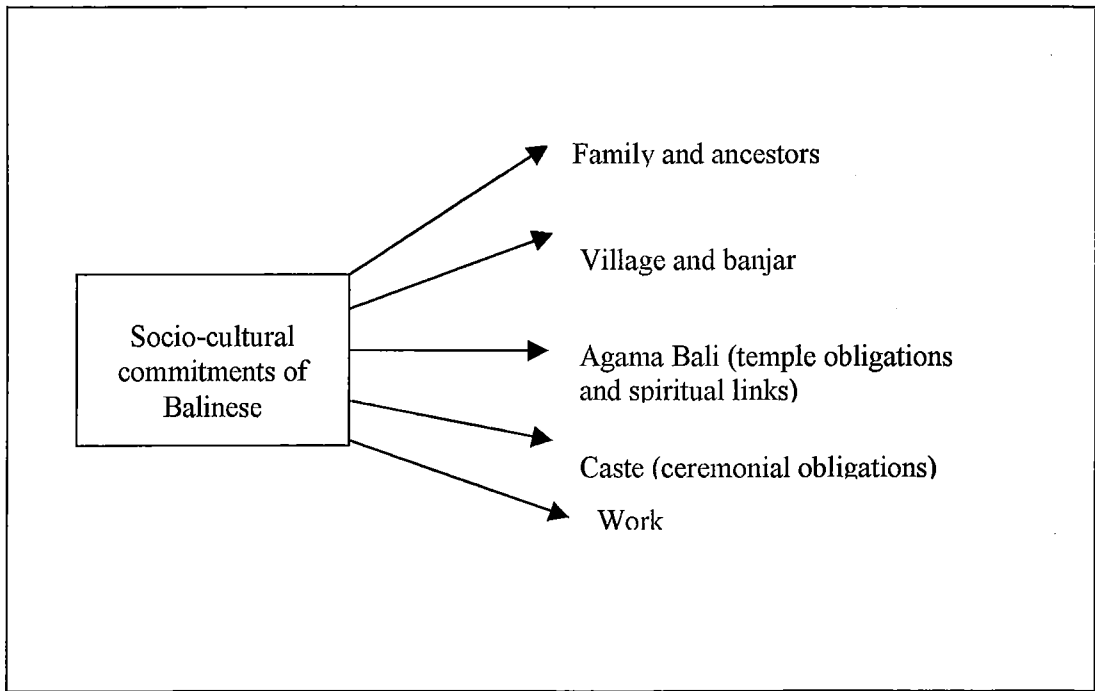
A belief in reincarnation also plays a major part in Balinese life and, like the pressure from their community, ensures that they behave appropriately. For example, it is believed that a person can be released from the troubles of this world and eventually live closer to their supreme god (Ida Sanghyang Widi Wasa), if not in

this life then in a future one. They can achieve this state by thinking good thoughts, and saying, and doing the right thing (berfikir, berkata, dan berbuat). If they lead a disreputable life or think bad thoughts, their soul can devolve and they will be reborn into a lower form of life. According to Howe (1980, ii) and Eiseman (1990a) the passage of the soul through one life and into another can be fraught with all kinds of hazards. The Balinese therefore help ease its journey by a multitude of ceremonies and offerings throughout a person's life and these can only be conducted if an individual is an accepted part of a community.

Interdependence and Obligation in Balinese Life

Geertz (1973) described Balinese society as pluralistic collectivist or the most collectivist of collectivist cultures that he had encountered because of the multitude of social links that its members must uphold (Figure 4.3).

Figure 4.3: Bali – a Pluralistic Collectivist Culture



Similarly, some twenty years later, Pounds (1982) observed that the Balinese people belonged to or had affiliations with so many different groups that they were obliged to constantly negotiate to do justice to all their responsibilities.

One is continually impressed by the active role Balinese take in structuring and manipulating their world. They appeal to and appease spirits, placate and make promises to ancestors, and negotiate conciliatory transactions with their neighbours (Pounds, 1982, p. 20).

Darma Putra (personal communication, 1997) explained this situation thus; material wealth is important to Balinese but not more so than the other aspects of their lives. We believe that a person's spiritual and material life need to be balanced. Material possessions and success in business mean that you can give your children an education and have a good family life. It is still important for Balinese to develop their spiritual side and be part of a community though.... Business is important to Balinese - but not more important than these other things.

Strong pressures remain in Balinese society to ensure that this balance is maintained. The Balinese I got to know well appeared to be quite often overwhelmed by all their responsibilities. They explained that they always had to assess which obligations were the most pressing or critical for them to attend to personally, or which could be deferred or achieved with the support of others. For example, a relation or friend could be asked to stand in for them at their work, if their boss

agreed, if they had to attend a religious ceremony or if they could not do their job because of an accident or illness.

In the next section the Balinese woodcraft sellers and their foreign buyers who participated in this are introduced (Table 4.1). An overview of their personal characteristics and business backgrounds is first provided, before details are given about their relationships.

4.3 Level Two Interpretation: Balinese Woodcraft Sellers and Foreign Buyers

Since the main objective of the primary research component of this thesis was to provide an alternative view of international marketing relationships to that traditionally provided by IM scholars, it was decided to conduct extensive fieldwork in Indonesia. In depth interviews with Balinese woodcraft sellers and their foreign buyers was considered a core part of this process (Chapter 3).

Discussions with local advisers (Bawa, 1997; Darma Putra, 1997; Fitzgerald, 1997-1998) prior to field entry and information gleaned from relevant Indonesia texts (Dana, 1999; Draine & Hall, 1986) had identified that a typical Western approach to gaining interview participants, such as phone calls or door knocking, simply would not work here. Instead, introductions were suggested as the most culturally appropriate and most likely way of gaining access and support for this study. To that end, it seemed that it was advisable to begin by interviewing suitable Balinese sellers (Chapter 3) and then to find their foreign buyers and request an interview.

Efforts to begin interviewing local woodcraft sellers began after about three weeks in the field. It was not until about week ten of field immersion that two of my new acquaintances at the local university (Udayana University) offered to assist with introductions and come out into the field. Interviewing snowballed from that point.

PR was the first owner-manager of a woodcraft outlet that was interviewed.⁵ Following this breakthrough, each time I conducted an interview I asked to be introduced to another potential participant. Using fieldwork protocols (Chapter 3 and Appendix 1), each new person whose names were received, were phoned and introductions and information about the study were provided. This strategy worked well, giving existing participants time to warn their acquaintances that we might phone. Only one small business owner-manager was reluctant to be interviewed using this approach. Following discussions with my interpreter, I decided not to conduct further interviews with that person, replacing them instead with another local seller who was less reticent to participate.

4.3.1 Balinese Sellers: Demographic Details

Table 4.2 provides an overview of the characteristics of Balinese participants. Eight owners of small woodcraft businesses, with international sales experience, were interviewed, four women and four men. All were from the Gianyar region, predominantly from the Tegallalang and Tampaksiring (Figure 4.1).

The average age of participants was mid-to-late 30s, although the youngest was twenty-five and two were in their early fifties. All participants were married,

⁵ For purposes of confidentiality, only the initials of participants have been used. The first letter, P or I, indicates Pak (Mr) or Ibu (Mrs) in Bahasa Indonesian.

with between two and four children each. Several were also grandparents. These findings were not surprising, since marriage and children are critical to reincarnation, a key belief of the Balinese Hindu (Eisemann, 1990a). I observed that while wealthier, more educated, and younger Balinese had smaller families than the traditionally large families that often had between six and eight children each, young people still made up the bulk of the population on the island.

All of the Balinese woodcraft sellers that agreed to participate in the study were Balinese Hindu. They spoke at least three languages – the local Sanskrit-based Balinese tongue, the national language, Bahasa Indonesian, and English. Most participants began interviews in English but quickly slipped into Bahasa Indonesian when they were aware that I could understand this most of the time. PP was an exception, speaking comfortably in English all of the time (Table 4.2). The fact that he was one of the older participants and the most well travelled probably accounts for this. He had travelled to Europe several times, visiting Moscow once in search of mammoth bones. Two of these large and expensive acquisitions, now elaborately carved, were on display in his premises.

Most of the local business owners that agreed to participate in interviews had approximately six years of schooling each (Table 4.2). For a long time this was the mandatory number of years schooling an Indonesian. In recent years this was advanced to nine years of compulsory education, however, since education is not free in this country a significant number of Indonesian parents have had difficulty complying with this requirement. This situation has been compounded by national and regional economic problems. Two participants had tertiary qualifications,

Table 4.2: Balinese Sellers: Demographic Details

Participant	PR	IN	IR	IK	PM1	PM2	PP	IC
Region	Sukawati	Tegallalang	Tegallalang	Tegallalang	Mas	Tegallalang	Tampaksiring,	Mas
Sex	M	F	F	F	M	M	M	F
Age	37	37	37	35	40	25	54	52
Marital Status	M	M	M	M	M	M	M	M
Children	2	4	3	3	2	2	4	4
Family/ Spouse	Housewife	Sculptor	Sculptor	Sculptor	Carver and sculptor	Carver family housewife	Carver family housewife	Army, family sculptors
Schooling	BSc	9 years	9 years	6 years	6 years	Tourism Dip	3 years	6 years
Interview Language	Indonesian and English	Balinese and Indonesian	Balinese and Indonesian	Balinese and Indonesian	Indonesian and English	Indonesian and English	Indonesian and English	Indonesian and English
Religion	Hindu	Hindu	Hindu	Hindu	Hindu	Hindu	Hindu	Hindu

one a science degree and the other a one-year tourism diploma (Table 4.2). Both of these individuals were male. This finding helped confirm what a number of my new Balinese confidants had told me and what I had observed, that males were accorded greater privileges, respect, and leniency in this society.

Seven of the eight woodcraft participants had married into or were born into sculpting or carving families (Table 4.2). Even PR, the one individual with no prior direct family connections in this industry, still felt its influence since he grew up in Gianyar surrounded by these activities.

The next section focuses on the characteristics of Balinese sellers' woodcraft businesses and their key markets. This information is summarised in Table 4.3

4.3.2 Business Backgrounds of Balinese Participants

Balinese participants had been in business for between six to ten years on average, more than half for less than eight, and three for more than ten years (Table 4.3). No one who was completely new to business was interviewed, as this research focused only on local woodcraft manufacturers who had sold to international buyers. It is highly likely that it takes owner-managers several years before they have the skills and knowledge to develop products of sufficient quality to attract major purchasers or for them to have accrued the resources needed to open their own businesses. This was noted to be the case with IN (Table 4.3).

Participants' premises were very similar in appearance, about the size of an average small shop in New Zealand, although three had bigger, more expensive-

looking premises (PR, PP, and PM1). Only half of these, however, were in the formal economy, formally registered with the government and paying tax. IN, IR, and IK (Table 4.3) observed that a tax collector called at an owner's premises if they had a sign or nameplate outside, identifying themselves as in business. While they did this primarily to attract customers, it also meant that tax collectors called on them, collecting approximately 20,000 rupiah a year (NZ\$4.50), about a day's pay for an unskilled local worker.

Employees

Balinese woodcraft participants employed between four to ten staff on average. These were mainly semi-skilled or unskilled female workers, from sellers' extended families and neighbourhoods (Table 4.3). Male employees were most commonly found in those businesses where a high level of carving skill or artistry was needed. PP and PM1, for example, employed several older male carvers and younger apprentices. Neither of these participants employed female carvers.

Table 4.3: Balinese Sellers' Business Backgrounds

Participants	Nature of Business	Years in Business	Prior Experience	No. of Employees	Type of Employees	Production Tasks
PR	Pulasan, finishing and distribution. High quality pieces, often new ideas, labels, packaging Formal	6 years	None	10 (family and neighbours)	Unskilled	Sanding, painting, packaging mass-produced wooden and woven. Manual labour
IN	Pulasan, finishing, sanding and painting. Informal	7 years	Warung copi husband sculptor	10 (relatives and outsiders)	Unskilled	Sanding, painting mass-produced, wooden goods. Manual labour.
IR	Pulasan, finishing, sanding and painting. Informal	5 years	Warung copi Husband sculptor	5 (3 from outside village)	Unskilled	Sanding, painting mass-produced wooden goods. Manual labour.
IK	Pulasan, finishing, sanding and painting. Informal	6 years	Warung copi	9 (6 neighbours and 3 outsiders)	Unskilled	Sanding, painting mass-produced wooden goods. Manual labour.
PM1	Master craftsman, creating design, carving, sanding. Formal	10 years	None, although family carvers.	4 (from village)	Creative and semi-skilled	Works of art, one-off creative pieces, hand-made, expensive, sometimes takes year to complete
PM2	Ukiran, all made on site. Informal	6 years	Made and sold sculptures to shops when at school	Fluctuates but average 22, (family and locals)	Unskilled	Mass production of primitive goods. Modified overseas designs. Mainly manual, used chainsaw.
PP	Master craftsman, one off made on site, ukiran sold on commission or part finished. Formal	20 years	Originally bone carving, diversified	5 (3 family, rest local)	Semi-skilled and creative artists	Wood, coconut, shell, and bone products, both expensive one-offs and cheaper mass-produced items. Modern and traditional.
IC	Ukiran, sells on commission, makes on site. Formal	12 years	Family were sculptors	4 (locals)	Semi-skilled and unskilled	Mass produced wooden carvings, unpainted manual labour. Sometimes made off-site. Modern and traditional.

While most workers were sourced from surrounding neighbourhoods, two participants (IK and IR) also got staff from other communities or regions as they had experienced difficulties in finding enough local help. There was an advantage to doing this, according to IK. "If they work for me (from out of town) I can get them to stay with me and work long hours if big orders come. If I have local workers I have to let them go home to help their families if they ask me". Owners did not experience this sense of obligation, to release an employee if their community needed them, when their workers came from far away.

Nearly all woodcraft sellers participating in this study also contracted work out if they had large orders and could not produce everything in-house themselves. Typically, they first called in available family members to help. After this they often asked friends with similar businesses to work with them on a major consignment, according to IK and IR.

Business Start-up

Family and friends were identified as having a pivotal role in participants' decisions to become business owners. All of those sellers that were interviewed indicated that their families were sculptors or carvers, except of PR (Table 4.2).

Three of the newer entrepreneurs (IR, IN, IK) used to own neighbourhood stalls (warung copi) selling basic convenience items (Table 4.3). They were encouraged to begin woodcraft production when they saw the success of their friends and neighbours doing this. These women gained the confidence to make this change because they had married sculptors, and because their friends who were already in

business supported their initiative by giving advice and loaning items. The comment of IN was typical:

Other women in the village were making them (woodcraft) and selling them...I wanted to try too. I bought some (partly finished wooden goods) and painted them. My family and husband helped too. Later, when I got better, I sold them at the market (at Sukawati). I practised and practised. I make them much better now.... Soon I will open my own shop (It was almost completed at the time of the first interview).

IC had her maternal family's support when she opened her first carving showroom some twelve years ago. She was born into a carving family but had left home to marry and raise a family.⁶ Her husband had a successful army career and was often away on duty. After the children grew up, IC had a lot of free time and looked around for something to do something to occupy herself.

My family helped me to start with. They worked for me and loaned me tools. I did some of the carving when I first started. Now my family (her husband and his side of the family) and neighbours work for me. Sometimes I sell carvings for other people (local carvers) on commission. I used to sell beside my house over there (on a veranda) but when I got more lucky I decided to open up a room in my house to display my carvings. I opened this recently (new office/reception). Before I only had those rooms (points to display area). I had nowhere to talk to my guests. We extended the showroom recently and made an office. Now I have somewhere to meet my customers.

⁶ Bali is a patriarchal society. When young women get married they live with their husband's family.

Only PR, the most highly educated participant, said he started his business explicitly because of outside influence, a chance meeting with a Japanese tourist.

I started my company in 1991. I meet a Japanese woman tourist. There are more Japanese tourists in Bali than from anywhere else. They spend more money too. I tried to find out more about them because I thought it would be good to do business with them. I decided to make things for their houses - things they could use. I don't sell to tourists. I just try to get orders and sell to people from overseas and Indonesians with shops in Bali or Java.

The youngest participant (PM2) started business a little differently to the rest (Table 4.3). He began sculpting and carving while at school, all the time saving money for his own shop. He opened this when he was 21 years old, approximately four years ago. Not long afterwards a New Zealander came to his premises, asking him to copy a Maori design. He got a big order from this foreigner. He then decided that this might be a good style and market to focus on, since it had brought him early success and was quite different to what many other local carvers were producing.

Product Characteristics

Prior to starting fieldwork, I had assumed that the Balinese woodcraft industry was undifferentiated. Once observations and interviews began it became apparent that there were three distinct groups of participants, producing quite different woodcraft products;

- (i) master craftsmen,
- (ii) ukiran producers, and
- (iii) pulasan (pop-art) providers.

Master Craftsmen

Two participants were what locals termed *master craftsmen* (Table 4.3). PM1 and PP created one-off wooden works of art that sometimes took years to complete. One could see these at different stages of completion in their compounds, behind their showrooms, just off the main north road. As PM1 commented,

I carve what I feel. Sometimes the shape of the wood suggests something to me. Sometimes I might have a dream about something. I just do whatever comes into my head... I try to make sure that my ideas are not copied ...I put them in a special room at the back of my main one (showroom) which I keep for other carvings. I buy these or sell them on commission from carvers that I know.

PP and PM1 were artists and very proud of the creativity of their work. PP now only carved occasionally, for pleasure. He spent most of his time supervising orders, dealing with customers, and buying outside stock for his showroom or ordering designs on commission from carvers from his nearby community. He had been in business for 20 years and was now reaping the rewards of years of hard work and relaxing more. PM1 was involved in the daily operation of his business. He had been in business for much less time than PP, only 12 years.

PM1 created designs then supervised his apprentices and more senior carvers to complete his ideas. The work they focused on was commensurate with their skills. Much of the wood used to make these one-off works of art was recycled, since high quality local hardwood was more difficult and more expensive to source than in the past. PM1 and his employees typically worked on several pieces at any one time,

depending on; what had been commissioned, what interested PM1 at any particular point in time, and the potential that he believed any piece might have. This type of carving, as with all other woodcraft production that was observed, was a very manual task, except at the very earliest stage of production when chainsaws were sometimes used. Workers' commonly chiselled and hand-sanded the features in the shade of compound buildings. The creative pieces of PP and PM1 were often very large, sometimes too heavy for one man to shift. They all had a natural or varnish finish - some with price tags of thousands of US dollars.

The remaining six woodcraft participants that were interviewed were identified as *ukiran* or *pulasan* producers locally.

Pulasan Producers

The three women who had been in business the least amount of time (IN, IR, IK) and PR made pulasan or pop-art items. The only similarity pulasan goods had with those made by master craftsmen being that they were both made of wood. There, similarities finished. Whereas PP and PM1 were artists, pulasan participants mass-produced gaudily painted items, kitsch-like in appearance. Dozens, sometimes hundreds, of part-finished and finished mobiles, serviette rings, letter racks, mirrors, suns, stars, frogs, teddy bears and trays could be seen scattered around the grounds and porches inside family compounds.

Pulasan products were made of low-grade local softwood. Participants purchased large quantities of roughly worked wood designs from other sources then

left them to dry in the sun. Suppliers were usually relatives or connected to them through some form of loose tie. For example, as IR explained;

My husband's sister lives in Bangli. They can get wood more easily than me. I show them what I want, tell them how many pieces I want, and when I need them. They get the wood and send me these (pointing to piles of roughly-cut products of varying shapes). If they can't make me enough when I want them, I ask my friends to help. Sometimes I get other people to provide supplies for me if orders are big. There are other shops around here that sell similar things.

The delivered, unfinished items were first laid in compound courtyards to dry for several days in the tropical sun. This was a critical step, several participants noted (IN, IK, PR), otherwise finished products would quickly split and spoil and customers would reject them. With drying completed, the laborious process of manually sanding and painting each product began. While some women sanded, smoothing features, others hand-painted parts of each design. They typically had completed sample products nearby for reference that came from customers, from the nearby markets, or that were sometimes acquired discretely from a neighbour if they had a new design. Newer pulasan workers were usually designated simple painting tasks, while more skilled employees put the finishing touches on designs. None of this group of workers was apprenticed. They learnt on-the-job. The only requirement for gaining such a position was that they knew that someone was looking for staff. This information was gained via word-of-mouth, according to IK, IR and IN.

I am always on the lookout for new ideas, things that might be popular. If I make something new, people (neighbours) are quick to copy me. Often

customers come with examples they want me to work on. I ask them for payment if I make products for them otherwise that is too expensive for me. If they are happy with what I design I can make more for them (IR).

PR was the only male participant that was interviewed who made pop art, although his products were of a much higher quality, had more innovative finishing touches, and were targeted specifically at overseas business customers. For example, candlesticks were given a gilt finish or other small decorative household items had a rubbed paint effect. A recent innovation PR was trialing was labelling products with tags like, “hand-made in Bali from non-endangered indigenous wood and non-toxic paint”. This idea came from discussions with a regular overseas customer. Since quite a few of these were from Japan, PR was very careful with details, such as how he presented products in his showroom and how he packaged them to send them overseas. During the period that interviews were conducted, PR was also having considerable success with a variation on the pulasan-type product – a range with a natural look. Tissue boxes, jewellery boxes, serviette holders, and a variety of other containers, made from palm and banana leaves, and local reeds and grass, were being sold. PR ordered these goods from contacts specialising in such items, rather than making them at his premises.

The final category of woodcraft products observed during fieldwork, were *ukiran* items.

Ukiran Producers

Two participants, PM2 and IC, dealt exclusively with these type of products (Table 4.3). They were more like the work produced by master craftsmen than that produced by pulasan providers, although they were of a much lower wood quality, and required less skilled, creative work, and time to complete. Like PM1 and PP's carvings, ukiran products were varnished or had a natural wood finish. They were typically made manually in very small batches or as single pieces, with one carver sometimes completing a carving or several workers toiling at different times on one piece. Designs included traditionally inspired goddesses and supernatural creatures, or more modern European designs. Dolphins, Buddha's, fishermen, roosters, and nudes all seemed quite popular items at the time. Like all other participants, IC and PM2 noted that they sold carvings on behalf of others too, either on commission or by buying them outright. Such decisions were made based on several considerations.

If I think that someone else has made something that might sell well and I don't make it, I might buy it from them. I buy some things, or take them on commission, from my neighbours if they ask me to help. Sometimes, if I get a big order, I pay other carvers to help me out. Sometimes they might work here or they might work from their homes (IC).

And,

I get some carvings from people who do not have their own businesses but who make them and sell to me. Sometimes I just put their carvings on display in my showroom and try to help them sell them. It's good for both of us... we both get paid this... I think it is good because I can try to sell different things (than I make) and I can help them out too (PM2).

In the next section the characteristics of the major markets and outlets for pulasan, ukiran, and master craftsmens' products are explored.

4.3.3 Balinese Sellers: An Overview of Markets

Most of the small business owners selling ukiran and pulasan products, sold to local and overseas tourists and business customers, from the Sukawati market in Gianyar and from their shops, although it was observed that other woodcraft producers more commonly sold exclusively from their own shops (Table 4.4). The snowballing and referral process used to access Balinese sellers is likely to have shaped this finding.

Before eleven in the morning, every day of the week, business buyers came to the Sukawati market. By late morning bus loads of tourists usually began arriving and sales were then mainly made to this customer group. IN, IR, and IK rented space here in the morning, returning afterwards to their homes to look after their shops and families.

The Sukawati market was popular among regular business buyers because of its proximity to the capital city, the international airport, and the main tourism enclaves (Figure 4.1). They not only saved time by stopping there, they could also browse for new products, compare price and quality, and could see what was selling well. For tourists, the market was a day out from their hotels. It was also an opportunity for one-stop handicraft shopping, a chance to get a lower price than in the southern tourist enclaves, and it provided a real-life traditional market atmosphere. The three pulasan women sellers interviewed in this study used the

market to pick up new business customers, and to gain market information about new product ideas and related trends (Table 4.4).

Participant	Markets	
	Characteristics	Examples
Pulasan	Sukawati market, 7-11am business buyers, after 11am tourists. Some new overseas buyers and tourists browse at shop, sometimes they have guide/driver. They know me. They sometimes help explain.	<p>"Usually the same shop buyers come and buy from me for their shops in Kuta and Denpasar."</p> <p>"The local (business) buyers usually order from us at the market as it is closer for them."</p> <p>"Usually new foreign (business) buyers) come to the shop." Sometimes they are just looking. Sometimes they ask for me "</p>
Ukiran	All sales mainly through own shops. Customers local and overseas business buyers, mainly former. They buy for department stores, gift shops for in Bali, rest of Indonesia (tourist areas) and overseas. Tourists sometimes stop and look and buy – one-off sales.	<p>"I get regular orders from Kuta and the arts shops (in Bali). They are slow to pay though...it annoys me ...I don't ask them to pay but they are always late. I try and be patient though."</p> <p>"Most of my work is sold overseas, outside Indonesia."</p> <p>"I have quite a few regular buyers. I am lucky as I get big orders from them."</p>
Master – craftsmen	Art works only sold to business buyers or collectors, mainly from Jakarta (the capital). They mainly come to showroom, although PMI had exhibited in Jakarta, but said it was expensive and difficult to organise. Products bought in or sold on commission (ukiran) sometimes phone ordered by local business buyers or to passing tourists. Quite different market to their creative carvings	<p>"Our buyers are mainly fine art collectors. They come from overseas and Java, (Jakarta). About 90 percent are sold here to Indonesia." Collectors usually here about me from their friends or from other collectors. They sometimes phone and arrange to visit me".</p> <p>"We sell direct. We do not sell to other shops."</p> <p>"I have two showrooms for my different customers. Out the back I keep my special carvings. They are not for everybody to see...I don't allow cameras into this room."</p>

Table 4.5 overviews the new and routine selling situations of participants.

Regular orders and one-off sales to local buyers were typically made in person or orders were phoned or faxed in to the premises of sellers. Buyers wanting to shop around to compare the price, quality, and designs that were currently being offered most commonly applied the former scenario. Phones or faxes were relied on by purchasers satisfied or comfortable with an existing supplier, or if they did not have the time to visit the Gianyar region.

Sales to foreign business buyers of ukiran and pularan products were larger and made less frequently than these same sales to local business buyers. The former usually purchased once or twice a year, while the latter often bought every second or third week, although in smaller quantities. Sales of pularan and ukiran carvings to local business buyers were a source of frustration for IN, IC, and IK because payments often lagged well behind the delivery of their ordered products. (Table 4.5).

Sometimes I worry about getting paid. Local (business) buyers are sometimes slow to pay. ...I have to wait a long time...I get angry with them....I wait for them to pay sometimes more than one or two months...It isn't good for my business...I don't phone them up and ask them to pay....I want them to buy (from me) again (IN).

The weak selling position of woodcraft providers, the geographic and cultural proximity of their local business buyers, and their implicit expectations that sales to these buyers would continue as long as they were lenient and provided this extended

credit all appeared to contribute to this situation. Sales to foreign business buyers did not have the same payment problems for some form of prepayment was always requested. This issue is discussed in more detail in the next section.

Master craftsmen who created one-off works of art sold to a completely different set of customers than pulasan and ukiran providers. Their market was mainly local collectors, investors, or the owners of high quality art galleries. New and routine sales to these groups were nearly all made from their showrooms (Table 4.4). PM1 had been invited to Jakarta to take in an exhibition in the past, but this was supported by an arts foundation grant and not something he could hope to achieve himself. The logistics, time and cost of such an exercise was far too much for him to achieve on his own, he said.

My buyers are usually collectors who buy from me because they have heard about me from their friends. They talk to each other, see my work then visit me if they are interested in buying something. That is how I usually get business. They are looking for an investment or for something beautiful to show friends. About ninety percent of my work goes to Jakarta.

Table 4.5: New and Routine Woodcraft Selling

Participants	New Sales		Routine Sales	
	Characteristics	Examples	Characteristics	Examples
Domestic a) Pulasan	Art or department store buyers. Usually go to arts market, sometimes direct to shop. Market is closer to them.	“They bring samples, and look at what I do. I make a copy and then they order. We talk about price.” “Sometimes they come to the shop. They have heard about me from someone. Sometimes a driver brings them here. I pay them if I make a sale”)	They order about every 2 weeks. Usually they phone or fax, discuss price and delivery date. Local art shops slow to pay, don’t pay deposit. Regulars sometimes phone/fax or come to market and order. (pulasan/ukiran)	“If they phone with an order, I have try and make them on time. Sometimes I ask other people to help me if an order is urgent or too big to do on my own.” “I deliver them myself unless they ask for special transport. They are often slow to pay”.
b) Ukiran and Master craftsmen	Sales to local shops, (Bali, Java) bought in small quantities from market or premises. Payment not always on time. Master crafts-men’s work – bought as one-offs from premises and always prepaid..	“First time I sell to them they come to my shop or see me at the market. After that they sometimes just phone or by fax an order through”. “I worry if they are going to pay me but I try to get their orders ready on time.” (ukiran). I always ask for payment first”. (master craftsmen)	Regular orders from department stores, duty free and art shop buyers in Bali and Java, sometimes every few weeks (ukiran). Master craftsmen– collectors or investors sometimes return but infrequently compared to local pulasan and ukiran buyers.	“It’s important to make things on time. Sometimes I won’t do an order if I can’t deliver it on time.” (pulasan) “Sometimes they pay only a bit at a time. They take longer than foreigners to pay.”
International a) Pulasan	Buy for large shops, department or stores or gift stores overseas. Always ask for part prepayment. Often bring or brought by local contact or driver. New buyer behaviour varied, some vary price sensitive, others just buy, other buyers look and leave.	“I don’t care where the orders come from, just as long as they pay... but it is good if they come back.” “Most of them have dark skin, like a suntan.” “I prefer selling to foreigners because they always pay on time...and their orders are big.”	Deposit or part-payment common. The rest on completion of the order, sometimes before delivery too. Regulars tend to order 2-3 times a year, before holiday periods. Some prefer to fax or phone orders through.	“The overseas buyers are better. They pay on time and order more than the local buyers from the art shops.” “They order from me about 3-4 times a year. I get them to pay directly into my bank and then I send them their order.”
b) Ukiran and Master craftsmen	Ukiran buyers visit showroom or market. Former often referred by local or friend. Some are on their own and just looking, don’t always seem to know much about carvings and just concerned about price. International buyers of ukiran and master craftsmen’s carvings always asked for full or part-payment before made or delivered.	“They always talk about price and try to get things cheap.” “They (foreigners) are always in a hurry and they want to know about price.”(ukiran) “If they order something and I don’t want to make it I don’t do their order. I have to want to do it.” (master craftsmen)	Ukiran phone or fax order through. Quality, price and delivery times checked and confirmed. Part payment or full payment always asked for. Master craftsmen have few regulars who collect their work – from Jakarta mainly. Payment required before delivery or made (if commissioned).	“Most of what I sell stays in Indonesia, about 10% goes overseas. A lot of it goes to collectors in Jakarta.” “I always get them to pay cash or with a plastic card. Although I get a deposit if they order it and it is not yet made.” (master craftsmen).

PP, the other master craftsman interviewed in this study, had a similar group of customers for his high quality carvings. As noted previously, he was not personally involved in this now himself (Table 4.3). After twenty years in the business, longer than any other participant that was interviewed, he now spent more time with his grandchildren and overseeing his business. He had also just shifted to a bigger showroom part way up the northern road leading into the central mountains. Despite his new location and the fact that he had the most northern of all participants, he was pleased about how his business was going.

I needed somewhere bigger to display all my carvings and to provide room for my customers to park. ...Over here I have mammoth bones from Russia. I went to Europe to get these but they are not for sale... Sometimes people ask if they are. ...Many people know about me. I have a friend who is writing a book about me. He lives in Ubud. ...There are many carvers selling here now. A lot more than when I started so it is very competitive now. I have good friends though so business is good.

While master craftsmen were mainly interested in the artistic quality and creativity of what they collected, made and sold, they also sometimes bought smaller, lower quality ukiran carvings on commission from other carvers. These were purchased by similar groups of customers to ukiran and pulasan (pop art) participants, and provided them with a small regular income (Table 4.4).

Pulasan, ukiran, or master craftsmen did not pro-actively engage in marketing activities, that is developing formal coordinated, customer-oriented strategies and marketing mixes, although PR, the producer of high quality pulasan products was

much customer focused than the rest (Table 4.4). The other pulasan and ukiran participants spoken to were primarily concerned about their products, their production process, and competitors' offerings. Master craftsmen were foremost concerned with the artistic merit of their work.

In the next section the characteristics of participating foreign business buyers of woodcraft products are discussed and their business backgrounds overviewed.

4.3.4 Foreign Business Buyers: Demographics

Table 4.6 overviews foreign buyer demographics and business backgrounds. Eight buyers of woodcraft products, in Bali purchasing for overseas businesses, were interviewed for this study. Before fieldwork began, it was hoped that participating Balinese sellers would introduce their overseas buyers for interview. This would have allowed explicit dyadic relationships to be explored. The nature of foreign buyers' purchasing behaviour, especially the infrequency of their visits to the island, the poor telecommunications facilities of Balinese participants⁷, and my mobility in the field, were all factors that made it difficult for ease of access to this group of buyers. Six males and two females eventually consented to be interviewed. Three had relations with Balinese participants in this study, while five purchased from other local woodcraft outlets. This situation was not viewed as a major drawback, since this study was concerned with underlying relationship processes rather than explicit units or dyads (Chapter 3).

⁷ All participants had traditional phones, half had fax machines, two had mobile phones, and none had e-mail.

Participating foreign buyers were from Australia, Japan, Holland, Spain, and Mexico. Their average age was late thirties to early forties, although several were slightly older than this (DE, LF, and KT). Overall, there was not a lot of difference between their age profiles and those of participating Balinese sellers (Table 4.2). Three international buyers were married, two separated, and two were single. More than half had children, although fewer than their Balinese counterparts. While Balinese sellers were typically from or had married into carving or sculpting communities, foreign buyers' backgrounds and partners were diverse. Most acted on behalf of other businesses rather than purchasing for their own outlets. They also typically had slightly better formal educational qualifications than did the Balinese who were interviewed. Four had post-secondary backgrounds (TB, GF, PD, and LF). The fact that many came from developed countries probably accounts for this. They also had affiliations with a variety of religious groups and all spoke English as their second tongue.

In the next section the relationships of Balinese woodcraft sellers and foreign business buyers are explored.

Table 4.6: Foreign Buyer Demographics and Business Backgrounds

Participants	AS	ML	TB	KT	GF	PD	LF	DE
Region	Spain	Australia	Japan	Japan	Australia	Holland	Holland	Mexico
Sex/Age	M (49)	F (38)	F (33)	M (51)	M (44)	M (35)	M (36)	M (54)
M. Status	Married	Attached	Single	Married	Separated	Married	Separated	Single
Children	2	None	None	2	2	1	None	4
Spouse	Legal secretary	(Engineer)	None	Mother, housewife	Teacher	Accountant	Retail, sales	Sales Rep.
Education	10 yrs.	12 yrs	Degree	9 yrs	Degree	Degree	Certificate	8 yrs.
Interview Language	English	English	English	English	English	English	English	English
Religion	Catholic	Protestant	None	Christian	None	C. of England	Buddhist	Catholic
Type of Business	Owner of 2 tourist/gift shops	Wholesaler for boutiques	Buyer for chain department store	Locally based agent for Jap. business buyers	Wholesaler to boutique shops	Wholesaler to interior furnishing stores	Wholesaler to gift and novelty stores	Owner Tourists and gift shops

4.3.5 Balinese Seller and Foreign Business Buyer Relationships

Participating Balinese woodcraft sellers and their foreign buyers were questioned about how their relations evolved, following my understanding of the stages of this process (Chapter 2). They were also about the factors that contributed to their success with this group of buyers and to explain any obstacles they had encountered with doing business with them.

Initial Contact and Partner Selection

Balinese pulasan and ukiran producers first introduction to foreign buyers came through a chance meeting at the Sukawati Arts Market or if they visited their premises further up the main northern road (Figure 4.1). Master craftsmen relied entirely on potential buyers visiting their showrooms, although PM1 had exhibited in the capital, Jakarta, once. Further, while all of the sellers participating in this study noted that competition was fierce, none offered alternative suggestions as to how they could attract customers. Those, like PP and IC who had been in business a long time (Table 4.3), noted that they were relatively lucky as they had a more established customer base than some of their newer competitors who were now often struggling to make a sale. This comment was borne out by the statements of IN and IK who had only been in business five and six years respectively. They were particularly anxious to find new customers since they only had fewer regular buyers. They too attributed finding regular local and overseas buyers to good luck. According to several other informants (Darma Putra, 1997; Fitzgerald, 1997-1998) luck or positive supernatural forces were common Balinese explanations for success. To claim otherwise could open someone to criticism or jealousy and may encourage negative

reaction from the living or unseen elements. Even the tertiary educated locals that I met clearly indicated that these latter forces were not to be taken lightly.

All foreign buyers expressed concern about how to find a suitable Balinese supplier, primarily because there were so many woodcraft sellers to choose from, they looked much the same to them, and because they were unfamiliar with how to contact one, even when they had been referred to a seller.

Both groups participating in the study relied heavily on formal and informal sources to initially solve these problems. For example, sellers encouraged tour drivers, private drivers, and others with access to potential buyers from the main centres (Figure 4.1), to bring them to their premises by giving them a commission if a sale was made. Foreign buyers also paid these formal and informal agents for driving them and helping them contact a suitable provider.

I knew what I wanted – I'd brought samples with me – a friend back home said they were really good at copying these kind of things in Bali - and they were cheap. The trouble was, knowing where to start. Everything here is so different - even when you talk to someone (a seller) you still never know what you're going to get until it has been delivered. I lost a lot of money the first time. The stuff they made wasn't painted properly and it (the paint) all came off. I'd already paid too...never got my money back. It was a complete disaster (DE).

Table 4.7: International Buyer-Seller Relationships

Participants	Balinese Sellers: Characteristics and Issues	Foreign Buyers: Characteristics and Issues
<p>The Relationship Development Process</p>	<ul style="list-style-type: none"> *Informal sources (friends, family, distant contacts) provide information, know-how, capital, and buyers. *Locate on the main northern tourist route to find customers. *Pay commission to encourage distant contacts to bring buyers. *Luck often attributed to gaining a new buyer or large order. *Friends, family and neighbours often provide labour. *Not uncommon to make products based on competitors and buyers, rather than innovate. *Request payment for making samples. *Once believe can provide product required and have general agreement on price, discuss details of timing, quantity, and quality issues. *Frustrated/surprised at new buyers lack of knowledge about carvings, their over-emphasis on price (for pulasan and ukiran carvings), and their lack of interest in getting to know a seller before they decide to buy. *Master craftsmen only carve if commissioned piece appeals to them, if it has artistic merit. *Communication with foreign sellers not seen as an issue. *Limited explicit stereotyping about foreigners evident. *Manner respectful, defer to buyer (do have bottom price), concerned about on-going relations, keeping customer happy. 	<ul style="list-style-type: none"> *Confused/uncertain about how to select supplier. *Acted on instinct ('...felt comfortable', '...he seemed to know what I wanted', '...he listened to me'.) *Or relied on advice from locals and foreign contacts to find a suitable seller. *Paid drivers and guides to take them to woodcraft premises *Pulasan and ukiran first time or newer buyers focused heavily on price, except Japanese buyers who were concerned with quality and presentation.. *Some brought samples with them and got sellers to make. This helped establish the capabilities and seriousness of a seller. *Meetings with sellers brief. Time and task issues important or what they concerned about foremost. *Manner assertive and direct (in interviews). "Tell them what you expect". "Let them know who is boss". *Talked about sellers using considerable stereotyping. *Focused on task at initial meeting – briefly discussed price, product, quality then deadlines and payment procedures. *Ease of communication with sellers also contributed to final selection process. Sellers had phones but not always contactable, only half had faxes, none e-mail.

There are so many shops here...I can't speak the language...everything is much easier back home. Here, it's not, like, you can phone them up and make an appointment – just like that. I didn't know where to start. I got some guy who kept pestering me outside my home stay to take me up to a few shops. I wouldn't be surprised if the people he took me up to see were his relatives! ...They all seem to have family or friends everywhere. (ML)

All the shops here look much the same...back home I know my suppliers really well. Coming here, it was really hit and miss at first. I just went by instinct...I needed a drink and I wanted to check out my map to see where the woodcraft villages were. I can still remember the first place that I decided to stop at – half the village wanted me to look at their shop. I got mobbed! Now, I can look back and smile – It was quite a joke. (AS)

Both sellers and buyers found their initial face to face meeting quite frustrating or unsettling but for quite different reasons. They dealt with these in different ways - their reactions and behaviours influenced by their expectations and prior experiences about how buying and selling should be done. For example, the speed at which potential buyers looked around their premises, summed them up, and made inquiries unsettled several pulasan and ukiran participants. As IR commented, "Some just come in (her premises), look around, and leave. Some ask for my business card as well but they usually don't come back." Other woodcraft sellers, such as IC and IN expressed similar surprise at the speed at which foreigners went about finding a seller and purchasing for the first time. "They are always in such a hurry. They just walk in, look around, then leave. They never stay long." "They don't understand

about this business... Some just walk in, ask about my carvings, and buy straight away.” When questioned further about their expectations of potential buyers at this stage of the buying process, participating sellers thought they would spend more time getting to know them and finding out about their product. Their attitude toward this behaviour of their foreign buyers was to be expected for Balinese people do not consider time a scarce resource. What was surprising was that, even after five years or more in business, several participating sellers were still coming to terms with the actions of potential foreign buyers. This suggests that they may have some way to go to become customer responsive.

Several sellers (IC and IR) were also frustrated by some foreign buyers’ pre-occupation with price and their lack of understanding about what constituted shoddy or quality workmanship. They typically associated this with overseas buyers’ limited knowledge of the woodcraft industry and carving.

All they are worried about is how cheap they can get them (woodcraft products). I have a bottom price. I won't sell lower than that. If they (foreign buyers) can get them somewhere else for less... well, fine. It isn't good for business if I sell them so cheap (IC).

As long as potential buyers were prepared to pay what participating pulasan and ukiran sellers considered was a reasonable price and payment was guaranteed, they were happy to do business with anyone, with the exception of PR and PM1. PR1, the only male pulasan seller interviewed (Table 4.3) deliberately discouraged passing tourists and instead targeted only foreign business customers. “I have my showroom away from the main road where the buses and tourists usually go. I built

it back from the street too, with no windows so that only business buyers visit me ” (PR). This strategy had the added benefit of keeping new product ideas away from the eyes of inquisitive competitors, he added. Of all the sellers that were interviewed, PR was also more pro-active in developing products that specifically met his overseas markets needs. As mentioned previously (Section 4.3.2), he had developed a range of naturally finished decorative household items to meet recent trends and had begun experimenting with labels and packaging, after feedback from a foreign customer. The fact he was a relatively young man and had a higher education, unlike most of the other sellers that were interviewed (Table 4.2), potentially accounts for this situation. The only other woodcraft seller with a tertiary training (PM2) was also male and the products he provided, like PR’s, were specifically designed with foreign buyer needs in mind, unlike the other pulasan and ukiran sellers who tended to imitate whatever new products were currently selling well. PM designed and made primitive Asia-Pacific influenced carvings, following a chance meeting with a foreigner who had asked him to make this type of woodcraft for him. Unlike PR, however, PM2 sold to tourists, as well as business buyers.

Foreign buyers’ selection of a supplier was driven by their reliance on advice from local or foreign contacts, their confidence that a woodcraft seller could deliver a quality product at an agreed upon time and price, and their ability to communicate with, and develop a rapport, with a supplier. For example, several foreign buyers observed they were given the names of a potential supplier by a contact when they first visited Bali. They had not bought from these suppliers, however, as they either had difficulty in contacting them by phone or in person, or they had met them and did not feel confident in their ability to meet their demands. As TB and ML said;

My friend used to come here regularly for holidays. She said that I should call in and see someone she had met in Tegalallang. I phoned a couple of times but got no answer, then another time I spoke to someone but they hung up! I got a driver to take me up to their address but the person I wanted to see wasn't in. Someone else showed me around the shop. I went further up the road and met a guy who said he could help. He seemed ok. I still do business with him (TB).

I was getting stuff made by this woman up in Tampaksiring but it was useless. I never knew if she understood my order when I phoned it through...her English wasn't very good I come here once or twice a year but if I needed to reorder before then I need to be able to talk to them. I gave up on her. Now I get Wayan (another local seller) to make things for me. He is much easier to contact. I fax an order through and then he faxes me back to confirm what I want. (ML)

None of the Balinese sellers spoken to suggested communication or the ability of foreign buyers to contact them was a key issue in attracting or keeping foreign buyers. When questioned further about this matter most noted their business cards listed their address and phone number, and their customers had these. That, to them, was enough.

Foreign buyers, GF, LF, DE, AS, and PD, commented that feeling comfortable and developing a rapport with a seller both contributed to their decision to do business with them.

I wanted them to make wooden coat hangers to put on a wall and a set of different sized bowls. I drew some pictures to show them what I meant. Some of the people I went to see tried to sell me trays and plates, and another tried to get me to pay for making samples for them. I went to up the road and met Ibu. She knew what I was looking for. I've been buying from her now for seven years. (LF)

Maintaining Relationships

Task matters, for example, ensuring there was sufficient production capacity, that quality products were made, and deliveries were on schedule, were all acknowledged as important to maintaining relations by participating Balinese sellers and foreign buyers.

Social considerations, such as developing rapport, listening to sellers, and being able to trust or rely on each other were identified as important considerations as well. Both groups of participants, however, described different problems that they experienced during the buying or selling process, and they attributed these to quite different reasons, and solved them in distinctly different ways.

The Japanese buyers (TB and KT) that were interviewed were mainly concerned about the standard of workmanship and presentation of some local sellers, a point with which PR, the only seller to focus specifically on overseas markets,

particular Japanese buyers, concurred. Others like AS, expressed a similar concern but went further, considering it necessary to make it quite clear to new suppliers what would happen if delivered goods did not meet their expectations.

You have to make sure that they really understand what you want. You can be really ripped off if you're not careful about who you buy from... The family I buy from now are quite good. I've been doing business with them for about four years so I reckon they don't try to cheat me or give me poorly finished goods.

The suspicion that Balinese woodcraft sellers might try to cheat or send inferior products to buyers were also mentioned by DE. LF additionally expressed frustration that some sellers tried to sell him carvings he did not want, even after he had explained what he was looking for.

Those foreign sellers spoken to about their regular suppliers stressed satisfaction with their reliability and the knowledge that they would get what they ordered, were key factors that contributed to their decision to keep purchasing from them (DE, TB, GF, ML).

You have to be sure that you get someone you can trust to make what you ordered, especially that they finish them (woodcraft products) properly. The woman I used to buy from before sent me a whole crate of carvings – and nearly half of them were split. They weren't packed properly and got damaged in transit, I think. They were useless to me. ...I found someone else after that.

(GF)

Once I met Pak things got easier. I try to come over here and see what else he has got but if I am too busy he sometimes sends me photos of new chairs, mirrors - anything that he thinks I might be interested in. (PD)

DE and AS, buyers with their own shops in the tourist areas of Mexico and Spain, explained that they came to Bali to extend their product range and because of the ability of Balinese to turn their hands to almost any idea that they came to them with.

Back home it's much harder to get special orders made. They (home country suppliers, usually make such a fuss about making customised items - and their prices are much higher than they used to be. My supplier here is really flexible. He will try most things I ask him and, although I have to pay him to make samples of what I want, he is still quite cheap (DE).

The locals (Balinese) I rely on are pretty switched on. Business is not as good for them as it used to be but they still seem to be doing quite well. ... Well, they still seem to be able to afford a new car! The couple I deal with always seem to be working -that's unusual for over here...the others (sellers) seem to close up quite often...probably they're off visiting family or at some ceremony. They have them here all the time. can't do business if you closed though, can you. Made can be relied on though. He's always available, or his wife is (AS).

Several foreign buyers also noted that being able to communicate easily with a supplier was important to them. For example, ML had experienced difficulty in

contacting a woodcraft provider once she returned home and had problems with a supplier understanding what she had ordered.

Task matters, being competitive, and meeting customer demands were the prime concern of sellers, once they had established contact and had a basic agreement with foreign sellers.

Production capabilities, being able to fulfil large orders on schedule, were mentioned as key issues by several participating pulasan and ukiran sellers. This was usually addressed by initially asking family to assist, then if necessary friends who were also suppliers might be asked to help out.

Sometimes I worry if I get a big order, especially if I think I might not be able to get it ready on time. My husband was a sculptor but now he helps me if I get really busy. If orders are too big for me, I can ask my friends if they will help too (IR).

PR and IN expressed similar worries; " If I have a really big order I sometimes ask my friends to help. If they need help, they ask me too," (IN) and "If I am worried about an order I won't always take it, especially if I don't think I can make it on time, or get one of my suppliers to help," (PR). This finding confirms the cooperative and interdependent nature of Balinese society.

Receiving payment was an issue for many of the Balinese pulasan and ukiran woodcraft sellers that were interviewed, although only in relation to sales to local business buyers. Master craftsmen (PM2 and PP) never faced this problem either,

since all one-off carved pieces were only delivered, or commissioned works begun, after payment was received. As IN observed, I like doing business with foreigners. “They always pay on time.”

The different treatment of local and foreign business buyers can be explained by the high level of local buyer power and low switching costs. They have the time and knowledge to shop around and get a deal if a supplier is uncooperative. Local sellers also know that if they are dealing with another Balinese their common belief in reincarnation, and thinking good thoughts and doing good deeds would likely encourage buyers to eventually pay up. Foreign buyers and sellers cultural and geographic distance, however, heightened the degree of uncertainty and risk both faced. Despite their weak selling position, all participating pulasan and ukiran sellers, and foreign buyers expected that part or full payment would be provided by a foreign purchaser once an order was placed.

Keeping up with or keeping ahead of competition were also familiar woodcraft seller concerns.

It is very competitive now. I try to make sure that my products are well made. I check the wood is dried properly before sanding starts and look to see how carefully they have been painted. It is really important to have everything ready on time too. I always try to find new ideas for carvings.... Customers sometimes bring samples to me and, if I see something new in the market that I think will sell well, I will buy it and try to make a few here. You have to keep good ideas at the back (of her showroom) so they can't be seen, at least until you are ready to make a big sale, or they get copied very quickly. (IK)

I try to get new ideas to put in my shop. ...Some of these (on display) aren't mine. I've just put them here to see if anyone is interested in buying them. I saw them at another shop. If a buyer wants them, I can try to make them (IN).

As well as keeping up with new ideas that sold well and ensuring the quality of their work, ukiran and pulasan participants frequently referred to their commitment to meeting customers' needs and 'getting on' with them.

I am only a seller. I have to try to give them what they want so they will buy carvings from me. If they are happy with what they have ordered, I hope they will come back. I have two customers now from overseas. They visit me quite often, about twice a year. I get on well with them. They are good to do business with. My other customers (local buyers) don't usually call in and visit me. They phone their orders in. (IR)

Most of my customers are from overseas. They ask for me specially. I have been doing business with one of them for more than five years. He often brings pictures of carvings that he wants me to copy. Other businesses have copied what I make but my buyers still do buy from me. I look after him and give him a good price (PM1).

Next, at Level Three, in the final step of this interpretation, the key themes and overriding plots from buyers' and sellers' stories of their relationships are consolidated and discussed. Data gathered from participants about the checklist (Appendix 2) and the pre-field propositions (Chapter 3) are all integrated at this

point as they were designed to aid my understanding of international marketing relationship processes, rather as an end in themselves.

4.4 Level Three Interpretation: International Marketing

Relationships: The Impact of Culture, Cognition and Communication

This chapter began by scene setting and providing an overview of important Balinese Hindu values (Level One). At Level Two, a description of Balinese woodcraft sellers and their foreign business buyer was then provided and their relationships discussed. Using the culture, cognition, communication, and relationship framework adopted in the literature review (Chapter 2), my pre-field understanding of international marketing relationships is now compared to what was understood about these relationships after post-field research was completed. This step is summarised in Table 4.8. To conclude the chapter the limitations of this interpretive study are addressed.

4.4.1 Culture and International Marketing Relations

Following the findings of Chapter 2.2.1 and interpretation in this chapter at Levels One and Two, this section examines whether IM scholars common treatment of culture as a national and static construct is appropriate. The impact of the cultural values and attitudes of Balinese sellers and foreign buyers on their relationships is then discussed. This section also draws on participants' comments from the checklist about culture (Appendix 2) and in relation to Proposition One (*Small business owners in non-Western countries will behave differently when in domestic and overseas relationships.*).

Table 4.8: IMR and Field Interpretations

Topic	IM Research (Chapter 2, Tables 2.2 and 2.4)	Field Interpretations (Chapter 4)
Culture	<ul style="list-style-type: none"> *Viewed as a national and static construct. *Family and friends played an important part in business start-up, development, and success. *Assumed IM relations formalised or structured. *Often assumed IM relations the same as domestic behaviours. *Issues of control and prediction in IM relations viewed as important. *International marketing problematic because of cultural differences. Cultural similarity implied to minimise problems. *Cultural awareness and adaptation not considered in these studies. *Often organisation or individual focus 	<ul style="list-style-type: none"> *Balinese sellers influenced by traditional and modern forces (gotong royong, banjar commitments, and businesses). *Families and friends did not appear to significantly influence foreign buyers businesses or jobs. *Formal contracts not part of the mainstream business culture. *IM relations not identical to relations domestically. - *Fatalism and superstition played a part in decision-making. *Potential for problems between Balinese sellers and foreign buyers at early stages of relationship because of different expectations but more overt differences in domestic encounters. Foreign buyers had individual focus whereas Balinese more other oriented.
Cognition	<ul style="list-style-type: none"> *The impact of stereotyping not considered in IMR. *IM relationship research focused on task issues and individual company concerns. *Competitive, organisational focused strategies. *Norms, rules, and expectations guide buyer-seller relations but not considered in IMR. *Emotions and feelings not considered as part of IMR. 	<ul style="list-style-type: none"> *Stereotyping guided buyer and seller decision-making. No obvious negative impact. *Task important to Balinese sellers and foreign buyers but not always for the same reasons. Sellers concerned about buyer's needs and satisfying them so they return. Other-oriented. Buyers were self, task and goal oriented. *Strategies primarily imitative and reactive. Other focused and cooperative. *Expectations and norms apparent in buyer and seller narratives. *Emotion and feeling played a part in foreign buyers' decisions about suppliers.
Communication	<p>Traditionally treated as one-way, manipulative. More recently communication treated as two way process. IMR still focused on individuals and dyads. Also assume relations long, complex, balanced and equally sought ie both parties proactive</p>	<p>Sellers in weak position and concerned with face, harmony, and deference to those of higher status. This may explain their flexibility/adaptiveness. Buyer-seller interactions brief, not always face-to-face. Sellers didn't equally search for buyers. Phone and fax important to maintain relations.</p>

Culture Should Be Treated as a Dynamic and a Lower Level Construct

Marketing researchers have commonly treated culture as static and a national construct (Chapter 2.2, and Tables 2.2 and 2.4). Balinese sellers' lives were influenced by a myriad of modern and more traditional forces (Figure 4.3). These did not go away. Instead they managed them as best they could by an ongoing process of evaluation and negotiation to establish which needed their full attention. Decisions were always driven by a sense of obligation and interdependency to others in their family and community. While these values, and harmony and face are of central importance to many collectivist nations, including Indonesia, the sellers in this study, nevertheless, identified themselves as Balinese first and foremost. Further, it was the rules, norms and expectations of being a Balinese Hindu that constrained their activities and dictated to a certain extent their lives.

Cultural Values and Attitudes Impact Business Practices

IM scholars have primarily utilised the cultural framework of Hofstede (1980) to explore IM relationships. In Chapter Two it was suggested that cultural values may be a more appropriate framework to understand international behaviours and views (Usunier, 1996a). This section thus provides examples of how Balinese sellers' and foreign buyers' values and attitudes effected their interactions.

(i) Family and Friends

Family and friends played a significant part in the start-up, development and ongoing success of woodcraft sellers in this field study. They provided the knowledge and sometimes tools and capital to help new entrants get established in the woodcraft business. They also provided labour, product samples, and acted as

agents or sales representatives to attract buyers to showrooms. There was no strong evidence to suggest that foreign buyers' jobs or businesses had the same level of close support, at least from the explanations that they gave of their international business relationships.

(ii) Contracts

IM scholars did not explicitly consider the role or importance of contracts in IM relations, although they implicitly suggested that negotiations led to the formalisation of relationships (Chapter 2, Table 2.4). Books about how to do business in Indonesia had suggested that they were culturally inappropriate in that country. Balinese woodcraft sellers and foreign buyers were therefore asked about the relevance of contracts to their relationships (Appendix 2).

None of those interviewed considered formal contracts appropriate to their relationships. Woodcraft providers expressed the view that as long as they understood what buyers needed and as long as they could deliver what was required and on time, all that buyers needed to do was pay, in part or in full. In their eyes there was no benefit to be had from formalising their agreement any further. Several foreign business buyers were amused by this question. "Writing up and signing a contract would be a waste of time over here. It wouldn't be worth the piece of paper it was written on," (ML). "Oh, no... most of them would have trouble reading and understanding it, if it was in English. ... They don't employ lawyers over here to do that kind of thing, except perhaps in the really big organisations," (PD). Language barriers, low educational levels, a weak legal infrastructure, and a local history that excluded contracts all probably contributed to these opinions and this situation.

Discussions with Balinese sellers, however, did suggest the presence of implicit or informal contracts.

Balinese sellers and their local business buyers appeared to have a tacit understanding that goods purchased and delivered would eventually be paid for. This could be described as a psychological or implicit cultural contract. This worked in several ways. First it was clearly a buyer's market (Chapter 4.2.2) and they could switch to another seller at a very limited cost if the latter tried to dictate terms. Secondly, since both were typically Balinese there was an unspoken understanding that buyers would eventually redress the matter for to leave it unpaid an extended period of time might create disharmony and conflict in relations. Further, this might have implications beyond the two individuals directly involved, as Balinese live in close knit and densely packed communities, and believe that a range of unseen forces influence their lives (Chapter 4.2.3).

(iii) Interdependency and Individualism

Two of the core values of collectivist and individualistic cultures are that of focus on self and focus on others (Chapter 2, Table 2.1). Balinese have been described as pluralistic collectivists (Geertz, 1973). This means that individuals from this society not only concern themselves with others in their group before themselves, they also have a considerable number of reference groups that they must answer to (Figure 4.3). These exert a very strong pressure over their lives. As Eiseman (1990b, p. 71) stressed;

People cannot behave as rugged individualists if they live in closely packed family groups where everybody is in earshot of everyone else all day - and all

night. People cannot think independently if they are almost totally dependent upon the support of others for most of their activities.

These cultural norms and expectations were evident in sellers' narratives, as well as in the comments of foreign buyers about their Balinese partners. While the former did not consider that social and religious commitments influenced their businesses, they frequently mentioned the role of family and friends in their businesses, and how they assisted others when they needed their support. For example, when large orders came in or if another carver wanted to try to sell something on commission through their showroom.

Foreign sellers' explanations about their relationships with Balinese woodcraft sellers did not exhibit the same kind of preoccupation with meeting the demands of others. Their conversations were very task, self-oriented, and sometimes quite aggressive. For example, "You have to let them know who is boss", "...He knew what I wanted..." and "...she couldn't understand me". While this group of buyers came from a variety of different countries their tone was predominantly individualistic rather than collectivist in nature. This was particularly the case with AS, GF, PD, and LF who came from European or Anglo-Saxon backgrounds (Table 4.6).

(iv) Cultural Adaptation and Awareness

International marketing researchers frequently assumed that interactions between local and foreign business people were identical, although Katsikeas (1992) and Tse et al., (1988) noted that marketing negotiations between in-group and out-

group members were not the same. This led to the formulation of P1 (*Small business owners in non-Western countries will behave differently in domestic and overseas business encounters*).

Apart from obvious language differences, woodcraft sellers in this study also treated local and foreign business buyers differently when it came to payment procedures. Part or full payment was requested from overseas buyers while their local counterparts were allowed to pay at their convenience. A number of possible reasons for this situation were explained in the previous section. Foreign buyers also expressed frustration about trying to establish contact with a suitable woodcraft seller in Bali to do business with. They found it much easier in their home environment because they knew how to contact a reliable supplier. The first time they visited Bali in search of products they behaved differently, operating on instinct or employing agents to assist with this process.

IM scholars (Chapter 2.2.1) did not consider the impact of the degree of cultural awareness of international buyer or sellers on their relationships, except Harich & La Bahn (1998) who dealt with it indirectly. They found that Mexican sellers rated the cultural sensitivity of their suppliers as important to their satisfaction with them. In this study, there was not strong evidence of woodcraft sellers' or foreign buyers' understanding of each other. There was a common understanding about key task related issues. This is described in the next section. Overall, despite the fact that Balinese sellers stressed the importance of satisfying their customers, they still expressed surprise at their behaviours. For example, their preoccupation with price and the way in which they went about finding suitable suppliers. Foreign

buyers also appeared to have a limited understanding of the Balinese they dealt with. For example, none of those buyers spoken to were fluent in the national or local language. They also had limited knowledge about key facets of the Balinese culture, except they had many ceremonies and other commitments. Further, if the stories some of them told about how they selected sellers was true, the manner and the tone in which they interacted with them was not entirely culturally appropriate. Displays of aggression of any sort, such as telling them who was boss and saying poorly designed products would not be paid for, would be considered a rather crude way of trying to develop relations in Bali. Locals were much more inclined to deal with potential problems indirectly, by deferring to them or by non-verbal means.

(v) Superstition, Fatalism, and Control

Balinese authors (Eiseman, 1990b; Picard, 1990) and cultural experts (personal communication, Darma Putra, 1997; Fitzgerald, 1997) commented on the spiritual and superstitious nature of the Balinese. For this reason a checklist statement was formulated to establish if they effected Balinese seller and foreign buyer relations in this study (Appendix 2).

Locals taking part in this study did not consider that auspicious days⁸ or religious commitments influenced how they managed their businesses. “If I have a wedding or funeral to go to and I also have something to do for a customer, my family help me or I go there (to the ceremony) for as long as I can.” (IC) Indirect evidence, from foreign buyers and from sellers’ discussions about other aspects of their businesses, however, suggested otherwise. For example, IN said, “My new

⁸This is determined in Bali by reference to the Balinese lunar calendar (see Eiseman, 1990).

shop will be finished (being built) soon....I will open it on a good day...to bring me good luck... I can still use it before then. ... The priest tells us what day is the good for the ceremony.” Two other local sellers spoke of their business success in terms of good luck (IN and IK), while numerous informants, including Darma Putra (1997), mentioned the importance that living Balinese placed on appeasing those in the spirit world. Foreign buyers were also asked about these Balinese beliefs and whether they influenced their relations with them. There was a mixed response to this question, although they were all aware that ceremonies, rituals, prayers and offerings were important aspects of island life but they were unclear exactly what they meant or how they influenced their seller’s lives

In the next section the key themes and stories of Balinese buyers and foreign sellers related to cognition are explored. Relevant checklist (Appendix 2) responses and Proposition 3 (*Stereotyping is a hindrance to cross-cultural business relations, especially for inexperienced business-owners*) and Proposition 4 (*Business concerns will be of prime importance to all small business-owners, whether they deal with local or foreign organisational buyers.*) are also integrated here.

4.4.2 Cognition and International Marketing Relations

The role of stereotyping, implicit contracts, norms and the expectations of foreign buyer and Balinese seller relationships are presented here. The competitive strategies of Balinese woodcraft sellers are also explored.

Expectations and Scripts

In Chapter 2 marketing research about cognitive processing was overviewed. It was noted that this body of research had a strongly domestic focus and that its role in IM had not been considered by scholars (Chapter 2.2.3).

There was indirect field evidence that Balinese woodcraft sellers and foreign buyers utilised scripts or informal rules to guide their actions. As cognition is a universal activity this is to be expected, especially since scripts and rules are based on past experience and understanding about what should be done in different circumstances and all involved in this study had prior buying or selling experience with foreigners (Tables 4.3 and 4.6).

There was common agreement among all of the Balinese sellers and foreign buyers that were interviewed that task related matters, such as product quality, meeting deliveries on time, agreement on price and payment, and production scheduling and capacity, all needed attention if their businesses were to be successful. P4 (*Business concerns will be of prime importance to all small business-owners, whether they deal with local or foreign organisational buyers.*) was therefore important to both parties, although these were not what solely drove them.

Foreign sellers wanted to be able to rely on and communicate with a woodcraft supplier. These comments were made on numerous occasions. To achieve these goals, they typically first visited the island in person to select a suitable provider, often choosing them on their ability to make up a sample they had bought along or based on their feeling that they could talk to them and be understood. Being able to

Speak to, or send or receive written confirmation of what was to be supplied gave them added assurance in a seller once they returned home. Balinese sellers also clearly made business decisions based on cognitive guidelines, such as those they utilised to ensure that foreign buyers paid for their orders and why these were not requested of local buyers.

Stereotyping

A stereotype is a simple cognition used to assist decision-making when experience or knowledge about something is limited (Chapter 2). Prior to entering the field it was thought stereotyping would be likely if individuals from different cultures did business together. It was thought that this would exert a negative influence, potentially creating problems in such encounters. (*P3 Stereotyping is a hindrance to cross-cultural business relations, especially for inexperienced business-owners*).

My post-field understanding of the role of cognition in decision-making evolved from what was understood prior to field entry. Stereotyping is a natural process, used by all individuals to help them cope with uncertainty and unfamiliar occasions. While it is typically discussed in negative terms, stereotypes may be positive as well.

Generalisations about the speed at which foreign sellers typically selected a supplier are an example of stereotyping, as are foreign buyers' comments about Balinese all being excellent copiers and their implied statements that they could not be completely trusted. ("You can really be ripped off if you aren't careful whom you

do business with,” was mentioned on several occasions.) This limited stereotyping did not appear to have a negative effect on these relations, rather they helped participants manage decision-making in uncertainty.

Competitive Strategies

Balinese participants were fully cognisant of the high level of competition they faced. Comments such as, “It is very competitive here,” “People copy new ideas quickly. If I have a good idea I keep it out the back”, and “I won’t let cameras into my showroom”, are all evidence of sellers’ awareness of their situation. For pulasan and ukiran sellers these new ideas came from samples brought in by buyers or new products that they saw others’ selling well. They were thus good imitators, rather than innovative and creative like master craftsmen. Several informants, including local business experts (Darma Putra, 1997) and foreign buyers (DE and LF) made similar observations. The high population density on the island and the village-oriented arts and craft specialisation of Gianyan villagers (Figure 4.1) contributed to this situation, as did the fact that local sellers had seldom been beyond the districts in which they lived, or their island (Chapter 4, Section 2). This meant they were exposed to a limited number of new ideas and that these were quickly copied. Further, since members of this society value fitting in and being accepted, the likelihood that they would exhibit very individualistic and entrepreneurial actions would be limited. These would not be encouraged behaviours during their socialisation. Three sellers, PR, PM2, and PP (Table 4.3) were more innovative than the others. Their tertiary education, overseas experience, and extensive business exposure are likely to have significantly contributed to this situation.

The quality and price that sellers offered buyers may have explained their success in the earlier stages of the industry lifecycle, however, by the time fieldwork took place these differences had primarily been overcome (Chapter 4.2). The extent of their extended formal and informal networks, the degree to which they could understand and satisfy the needs of their customers, and their cooperation with other local carvers were other key themes in participants' stories. These strategies again illustrate the complex web of relations and other-oriented nature of their lives.

Emotions and Feelings in Business

Emotion and feelings were evident in a number of foreign buyers' stories. They were most apparent when they described their initial visits to Bali and how they found suitable suppliers. Gut feelings, instinct, feeling comfortable, feeling unsure or slightly overwhelmed, were all expressions participating buyers used to describe their initial visits to Bali in search of woodcraft suppliers ("He seemed ok." "I just stopped somewhere that felt alright.").

Balinese woodcraft sellers' stories did not reveal similar characteristics. It is likely that this was a reflection of their concern for face, their belief that negative feelings are best kept private (Chapter 4.2.3), and because I was a foreigner and they were being asked about their relations with other foreigners. For these reasons it is likely that they were just being polite or discrete in their discussions about this subject.

In the next section the role and importance of communication in Balinese seller and foreign buyer relations are considered.

4.4.3 Communication and International Marketing Relations

IM researchers have typically addressed communication indirectly, as part of their investigations into IM relations (Chapter 2.2.5). Here the content and style of Balinese seller and foreign buyer communications are examined.

IM scholars implicit views that communication between international buyers and sellers would be problematic because of cultural differences was not clearly borne out in this study (Chapter 2, Table 2.4).

Interactions between these buyers and sellers were brief, involving limited discussion. They certainly did not involve protracted negotiations or formalised contracts, as suggested in the IM literature (Chapter 2, Table 2.4). Further, while both groups of participants did not consider their relationships faced significant problems, there were quite obviously differences in their expectations at the early stages of relationship development that could potentially cause problems for them. For example, Balinese sellers expected overseas buyers to spend more time getting to know them and asking about their capabilities. Foreign buyers, on the other hand, expressed concern that sometimes they could not contact potential suppliers because of phone or language difficulties. Local sellers did not perceive communication as a problem. As this was a buyer's market (Chapter 4.2.2), and because of the importance of harmony and face, sellers made a considerable effort to meet the needs of their buyers and to overcome any start-up barriers.

IM scholars treated buyer-seller interactions as being equally pursued. Foreign buyers in this study, however, were much more pro-active in seeking out a

relationship with Balinese sellers that they were with them. Balinese sellers adopted a conciliatory and co-operative mode of thinking and communication style, once a potential buyer made contact with them. That is not to say that they did not have personal needs and business needs that they aspired to. The needs of others and the value they placed on harmony and face meant that if they faced any potential conflicts, others' needs would come before their own. The weakness of their industry position is also likely to have contributed to their stance.

In the last section of interpretation, an overview of the key elements of Balinese seller and foreign buyer relations are summarised.

4.4.4 International Marketing Relationships

Tables 4.7 and 4.8 overview the key characteristics and differences between the IM relationships examined by IM scholars (Chapter 2) and those between Balinese sellers and foreign buyers whom took part in this interpretive research. Many of the reasons for these have been discussed in the previous sections. Here key themes arising from interpretation in this chapter are highlighted.

The results of this study suggest that while a limited number of in-depth interviews of Balinese woodcraft sellers and foreign woodcraft buyers were conducted, their relations had a number of common characteristics that can be said to be more typical of other similar relations than what IM scholars have described. For example, Balinese woodcraft seller and foreign buyer relationships were initially driven by foreign buyers rather than equally pursued by sellers. Intermediaries, formal and informal agents, played a significant role in bringing buyers and sellers

together. Friends and family, as well as other competitors, were also very important to the success of Balinese sellers. Their relations were also relatively brief, at least compared to the protracted negotiations that have been simulated and described by IM scholars (Chapter 2). Balinese woodcraft suppliers and their foreign buyers had informal arrangements as well. They did not involve contracts, unlike what marketing researchers have implied (Chapter 2, Table 2.4).

Balinese sellers' managed risk and uncertainty, especially at the formative stages of relationship development, by requesting part or full payment for products before delivery. They also extended their product offering to customers, and thus their potential profit, by displaying other carvers' work in their premises, on commission or as samples of what they could provide. Since they had limited resources and the market was so competitive these were two of their key competitive strategies. They were also excellent imitators, although the quality of their woodwork was still an issue for some purchasers.

In terms of their limitations, their adaptability to the needs and problems faced by their customers was effected by their lack of resources, education, mobility, and contact with foreigners. For example, most had not considered other ways to attract customers other than to wait for them or agents to bring them to their showrooms. This was because they had no other experiences or knowledge of what was possible. Further, even if they had wanted to mount an exhibition, for instance, they lacked the resources to achieve this. The demands and values of the society to which they belonged additionally meant that they seldom ventured outside of their regions to mix with and develop close relations with foreigners. Those sellers in this study

with greater access to these things, however, appeared to be more successful in business.

Foreign buyers managed risk and uncertainty, especially during the formative stages of their relationships, by asking domestic contacts or local Balinese to help them find suitable suppliers, or else they went to the region alone and selected one, based on instinct and appeal. Quite a number also brought samples with them and asked local sellers if they could make them. This allowed them to gain a better understanding of the abilities of a supplier. They also experienced communication problems, such as language differences and accessing a seller once they returned home. These influenced their ultimate choice of a partner in Bali.

In terms of factors that created relationship problems for them they were generally minimal because Balinese sellers were in a very weak position and because their society valued harmony. Certainly foreign buyers could have enhanced these relations. For example, by being more aware of what locals considered polite behaviour - not that being impolite would have lost them a supplier. Greater goodwill, however, may have been generated if they spoke less directly or aggressively or made an effort dress appropriately. Balinese sellers only mentioned the dress code of buyers on two occasions. Other local informants and expatriate residents, nevertheless, spoke frequently about the poor dress standard of some foreigners, a point confirmed by my observation.

In broad terms, this interpretive field study of business owners of small woodcraft outlets in Bali, and their overseas buyers, suggest the following.

- The adoption of an alternative research philosophy and methodology can shed a different light on a research area and extend knowledge in that domain.
- The owners or managers of small and medium sized businesses confront different relationship issues than do those from multinational organisations.
- There are underlying process differences in relations between small and large sized organisations and those between large organisations.
- The context in which relationships take place have a significant impact on how relations develop.
- Cultural differences can create marketing problems, however, the attitudes, values and behaviours of buyers and sellers can limit or accentuate these.
- Relations between international and domestic buyers and sellers were not identical.

This study is not without limitations. These are now addressed.

4.5 Field Study Limitations

This hermeneutically oriented, interpretive field study did not seek to measure, predict, or control variables associated with international relations. It also did not attempt to establish the truth about international buyers' and sellers' interactions, since I believe that knowledge is socially constructed (Chapter 2.3). Instead I sought to give voice to small business owners from a less developed country, involved in international marketing, as such individuals had been ignored by IM scholars (Chapter 2, Table 2.2). Another goal was to adopt a different research philosophy to existing IMR about relationships since this had been viewed through an exclusively

positivist lens (Chapter 2, Table 2.4). It was anticipated that an interpretive study would help to extend IM knowledge in this domain.

4.5.1 Objectivity

Objectivity in interpretative research require a scholar to carefully consider information and theory, weigh alternative explanations, as well as show healthy research scepticism, reflexivity, and transparency. To this end different sources of information were tapped during fieldwork. As information was gathered and an understanding emerged, both were crosschecked with participants, local experts, and a field interpreter, as is the part of the hermeneutic process (Chapter 3).

This study is objective in as much that it records, analyses, and attempts to explain the relationship stories of Balinese woodcraft sellers and their foreign buyers as explained by them in 1997.

For greater accuracy and research transparency a tape recorder may have been used to record interviews. All local Balinese advisers and several interpretive colleagues, however, strongly advised against this, as they believed that local sellers would feel insecure and uncomfortable. Not only were they unfamiliar with being interviewed, a foreigner was conducting this study. Further, there was also a strong possibility that they may think there was a government link to the research. For these reasons field notes and memos were kept instead and, in an iterative manner, my field interpreter and I compared notes and ideas regularly. These were overviewed by two local experts as well (Darma Putra, 1997; Iswara, 1998).

4.5.2 Validity

This research is not valid in a traditional marketing sense, for hermeneutically oriented scholars do not consider that there is some ultimate truth-awaiting discovery. As Richardson and Fowers (1998) noted, there is no good reason to deny the validity of other interpretations of experiences and events, since they simply reflect other ways of being involved with the world. This study is internally valid, nevertheless, as the findings presented in this chapter were shared with local experts and participants. They expressed the belief that it represented their views.

The validity of this research can also be judged by the degree of support that I have given to participants' explanations for their relationships. Care was taken to cross-reference these with buyer and seller quotations, as well as by referring back to the literature review (Chapter 2). To strengthen this study further, this chapter and the next (Chapter 5) adopt a similar format to that provided in the literature review (Chapter 2). Culture, cognition, communication, and international relationships are core headings in all three chapters.

Language classes were taken in Bahasa Indonesian, the national Indonesian language, in New Zealand and Bali. These were taken to aid my understanding of participants' stories and to improve my chances of being accepted by the Balinese. The foreign buyers interviewed during field-work spoke English throughout interviews, so this was not problematic, although for half of this group this was their second language so it may have inhibited their self-expression. Balinese participants spoke a mixture of three languages throughout interviews. They adopted English for matters that could be simply explained. They used Bahasa Indonesian when they

could not find suitable English to explain themselves or when they were speaking in detail about a topic and they reverted to their ethnic tongue, Balinese, when their stories became too complicated to express in either of the former two languages. Some sense of meaning may have been lost in these translations, however, every effort was made to ensure that participants' narratives were recorded as accurately as possible, by rechecking their comments in later interviews.

4.5.3 Reliability

In hermeneutics, as in other interpretive research, reliability means establishing whether a study has an underlying logic. So, despite the fact the interpretation here 'zooms in' and 'zooms out' of different aspects of international buyers' and sellers' relationships, one has to ask whether the processes and explanations that have been presented can be easily understood and seem reliable (de Ruyter & Scholl, 1998). To this end, fieldwork was conducted in a very systematic way. Interpretation first began at a very concrete level, with scene setting of the area in which the study took place. Participating buyers and sellers were then introduced, with explanations of their personal and business background provided. During later stages of interpretation, their business interactions were then explored. As abstraction progressed, comparisons were made with the existing IM relationship research that was examined in Chapter 2. In concluding this field interpretation, the gaps between field findings and the former body of research were presented (Table 4.7).

In the forthcoming chapter non-marketing research explanations will be sought for findings not explained fully by IM scholars and directions for future IM relationship research progressed.

CHAPTER 5

FIELD INTERPRETATION – AN EXTENDED VIEW

5.1 Introduction

Having presented and discussed the findings of the interpretive field study in Chapter Four, this chapter examines non-marketing research that may help shed further light on this analysis.

A framework identical to that utilised in Chapter Two and Four follows. This explores international management, economics, anthropology, sociology, and international communications research about culture, cognition, communication and relationships related to field findings. Table 5.1 overviews this step. Propositions are also integrated at this point, for future research consideration.

In closing this chapter an overview of this thesis is provided (Figure 5.1. Broad suggestions are then made for international marketing scholars to consider in relation to the future direction of this sub-discipline. It is argued that to continue to pursue a single research philosophy, such as the typical positivist approach (Chapter 2, Table 2.4), will have a detrimental effect on the relevance of the discipline to international marketing practitioners and ultimately to that if international marketing itself.

Table 5.1: Extending International Marketing Theory

Chapter 2 and Chapter 4	Non-Marketing Scholars	Future Research Directions For IM Scholars
Culture	Bate (1997), D'Ándrade (1995), Hefner (1998), Sirsi, Ward, & Reigen (1996), Fontaine (1991), Banerjee (1999), Altman & Taylor (1973), Francis (1991), Kanter & Corn (1998), Cecora (1999), Dana (2000b).	<p>*Recent definitions of culture, IMC international micro-cultures, and subcultures.</p> <p>*Cultural differences in themselves do not create IM problems. Context and depth of knowledge of a partner influence this situation.</p> <p>*Propensity to innovate, imitate, and adapt driven by culture, learning, and personality.</p>
Cognition	Blau (1993), Hodgson (1988), Walker (1999), Fontaine (1991), Kanter & Corn (1998).	<p>*Western life is compartmentalised. Easy to focus on one aspect of lives. Collectivist cultures life interrelated. IMR Western, as very task oriented. Social Rationality overlooked.</p> <p>*Development of international micro-cultures centred (IMC) on task is a more effective way of developing sound IM relations than a culturally sensitive approach.</p>
Communication	Blau (1993), Casson (1995), Hefner (1998), Lee & Earl (1993).	<p>*Individualism, self-interest, competition, and efficiency do not drive all societies. Collectivist cultures will be more cooperative than competitive.</p> <p>*Informal networks are important to the success of small and medium sized organisations in collectivist cultures.</p> <p>*Interactions were brief, did not involve long negotiations.</p>
Relationships	Liang & Parkhe (1997), Bell (1995), Casson, (1995), Styles (1995), Katsikeas & Piercy (1990), Katsikeas & Al-Khalifa (1993).	<p>*Extensive body of import-export research but main focus on export.</p> <p>*Assume exporters drive exporting.</p> <p>*Internationalisation of small and medium sized companies not equally contributed to.</p> <p>*Developed country partner has expert knowledge and power.</p>
Environment	Casson, (1995), Dacin (1997), Hefner, (1998), Hillman & Keim (1995), Whitley (1992).	*Key formal and informal societal institutions shape industry, markets, and individual firm behaviour. They are also shaped by them too.

5.2 Culture: Alternatives to the IMR View

While international marketing (IM) scholars have been preoccupied with considerations of culture more than twenty years old (Hofstede, 1980), scholars from other disciplinary areas have conducted considerable research in this area over this time. This literature is now examined.

5.2.1 Culture: More Recent Definitions

The traditional concept of culture was that it was a closed system, with elements that could be easily delineated (D'Andrade, 1995; Hefner, 1998; Smircich, 1983). This situation arose because early studies of culture often examined groups or societies that were quite isolated from outside influences. This stability allowed researchers, often anthropologists, to develop blueprints of typical in-group behaviours, attitudes, and values, as well as to delineate material aspects of these cultures (D'Andrade, 1995).

Most marketing scholars may not view culture as static any more, nevertheless, this is implicit in most of the IMR that was reviewed (Chapter 2.2.1 and Table 2.4). Graham (1985) and Williams et al. (1998), for example, described it as the mental programming and conditioning of a group of people, although Tse et al., (1988) defined it more loosely, as general tendencies or norms that group members follow (Chapter 2.2.1).

Understandings of culture have evolved considerably in recent years, in response to world changes such as increasing immigration and shifts in national boundaries (D'Andrade, 1995). It is now perceived as dynamic, open, fragmented, and emergent; a political process that is constantly contested, renegotiated, and redefined (Bate, 1997, p. 1159). Consumer behaviourists, Sirsi, Ward and Reingen (1996), also expressed frustration with the typically ahistorical, aprocedural, and acontextual way that marketing researchers have treated culture. They suggested that culture should be understood as a sharing of meaning between members of a group.

Other non-marketing academics scholars to have critically examined the concept of culture in the past twenty years include Agar (1994), Chapman (1997), Jones (1998), Redding (1997), and Weiss (1993). In general, they have challenged the view of culture posited by those such as Hofstede (1980), but which remain so popular with many IM scholars. It is suggested that IM scholars interested in the impact of culture on IM encounters consider this more recent body of knowledge.

5.2.2 Culture Differences Cause Problems in IM Relationships

The common view in IM relationship research is that cultural differences create problems (Chapter 2.2.1, and Tables 2.2 and 2.4). None of this group of marketing scholars, however, addressed this assumption or its basis.

The notion that similarities attract and that differences between people cause problems stems from Social Identity Theory (Altman & Taylor, 1973). In an international management study, Francis (1991), found that culturally similar groups developed their own identities and modes of behaviour, and typically felt more

comfortable with other group members than with those outside their group. It was postulated that this situation might create problems when non-group members interacted, although it was recognised that this may only apply when groups felt threatened.

Cultural differences existed between Balinese sellers and their foreign buyers. Their different languages, expectations, behaviours, and attitudes, however, did not have a significant effect on the relationships that were studied, although it was clear that some foreign buyers experienced communication problems with some local sellers. They responded to these obstacles by seeking other suppliers who were more accessible and who they could develop a rapport with. The weak selling position of Balinese sellers, the competitive nature of the industry, and their strong cultural norms of face and harmony also meant that participating woodcraft sellers made every effort to secure a sale, as long as it was good business sense. This leads to the first proposition for further study.

P1 International buyers or sellers from cultures that strongly value maintaining face and harmony will deal with relationship problems indirectly or not at all, especially if they are in a weak competitive position.

This proposition fits with what international management researchers, Kanter and Corn (1998) recently observed, that context was more critical to management relations than culture. This investigation also established that managers with direct contact and access to information about foreign business associates were more likely

to attribute the problems they had experienced to business matters, rather than to cultural differences. This leads to the second proposition for future testing.

P2 The more an international buyer or seller understands about their overseas associate the more likely it is that they will identify that business issues, rather than cultural differences, cause problems between them.

5.2.3 Culture and Entrepreneurship

Cecora (1999) noted that propensity to innovate was culturally driven. For example, groups displaying this propensity do so under specific cultural and historical conditions, such as those experienced by new immigrants. It is not uncommon for such individuals to start their own businesses because they often find themselves marginalised in their new homelands. These circumstances force them to consider ways of working other than they may be used to. Further, individuals from different cultures innovate in culturally acceptable ways (Dana, 2000b). That is, their underlying cultural values and experiences implicitly influence the characteristics of their entrepreneurial behaviour. For example, individualistic cultures (Chapter 2, Table 2.1), with their focus on independence and self, socialise their members to act accordingly. This increases the likelihood that that they will be innovators and act in novel ways. Collectivist cultures, like Balinese Hindu society, however, encourage their members to follow the needs of the group before their own. This means that these individuals are more likely to exhibit the type of behaviours observed in this study – as excellent imitators. Learning, such as exposure to different cultures and education can alter the impact of socialisation, as was noted to be the case with three woodcraft sellers (PP, PM2, and PR). Personality may also contribute to deviations in behaviour from cultural norms.

The finding that entrepreneurial behaviour is typically characterised by underlying cultural values suggests the following area as worthy of future investigation.

P3 Individuals from highly collectivist cultures will be more likely to exhibit imitative and adaptive behaviours, while those from highly individualistic societies are more likely to be innovative and self-oriented, unless they have had considerable experience or exposure to outside ideas.

5.3 Cognition: Alternatives to the IMR View

In Chapter 2 (Section 2.2) it was observed that while sales, distribution, and consumer behaviour scholars had explored how cognition impacts these marketing situations, cognition's role in IMR has been largely ignored.

Cognitive categories and processes, such as scripts, norms, rules, and stereotyping, aid information processing. These help an individual navigate their way safely in the world. Domestic marketing researchers interested in this area have primarily examined isolated aspects of cognition, viewing it as something confined to mental processing. For example, Leigh and McGraw (1986) and Leong et al. (1989) found that successful salespeople had detailed selling scripts. These helped them to assess the task ahead and to take appropriate action in order to meet customer needs (Chapter 2.2).

Despite the fact IM scholars have not looked directly at the impact of cognitive behaviour on international buyer-seller encounters, it was found that their own investigations in this area revealed similarities in mindset. For example, these researchers were primarily concerned with task, economic, and dyadic concerns (Chapter 2.3, and Tables 2.2 and 2.4). Chapter 2.4 provided an explanation for these findings. It was argued that the way in which many marketing scholars have been socialised has encouraged research with these characteristics. Further, the wider development of the marketing discipline has been influenced by similar concerns (Chapter 2.4.1).

Balinese sellers and their foreign buyers expressed considerable concern about matters related to business tasks, although they were not motivated by identical factors. Woodcraft suppliers were primarily concerned with issues of harmony and face, as well as trying to meet their customers' needs. They additionally relied on the support of families and friends to manage their businesses, and used their extended networks to attract customers and to fulfil large orders. Foreign buyers were predominantly concerned with issues related to the buying task. The following few sections explore some of the potential explanations for these differences and outline areas for further research.

5.3.1 Economic versus Social Rationality

Traditional economics and marketing researchers have theorised that managers function rationally and purposively, and are primarily interested in organisational efficiency and profits (Blau, 1993; Hodgson, 1988). While this may be important to

most managers, they may not be their sole concern for cultural differences influence managers (and researchers) priorities.

When academics conduct studies in the West, it is commonplace for them to focus on some aspects of their subjects' lives, while ignoring everything else. This is because life in many individualistic cultures is quite compartmentalised. In collectivist cultures, life is more complex and interrelated (Walker, 1999). Balinese Hindu society has been described as an extreme case of this (Geertz, 1973). The complex web of relations in which Balinese lives are entwined was explored in Chapter Four (Figure 4.2).

In some respects, the lives of these participants resemble those of busy working women who Thompson (1996) described as 'jugglers'. Balinese Hindus sellers were an extreme case of this. They were super-jugglers, involved in a myriad of relationships. Further, they did not have a choice about their involvement and responsibilities – for they belonged by birth and if they did not participate they would become outcasts in their own communities. This leads to the following proposition.

P4 Managers of small to medium-sized organisations in highly collectivist societies will adapt their business practices to take into account the key values of other groups that they belong to.

5.3.2 Similar Expectations Breed Success

As previously noted, Balinese sellers and foreign buyers agreed that product quality, scheduling, meeting deadlines, pricing and other task related issues were

important to them, even though they were driven by different concerns (Chapter 4). It is possible that such common understanding is an important component in relationship success.

Fontaine (1991) considered that inter-cultural business effectiveness was best achieved if parties developed a common ground that focused on the task ahead, rather than trying to act in a manner culturally acceptable to a partner. This common ground was termed international micro-cultures (IMCs). This perspective is based on the view that foreign partners do not expect those from other cultures to behave like those in their own society. A valid point, given that those Balinese sellers did not behave identically with their local and foreign buyers. Further, even with cross-cultural training and all the best intentions to act sensitively, many individuals are only aware of the most obvious aspects of another culture, as well as how their own behaviour may be culturally bound. Finally, being culturally aware and sensitive does not get a job completed satisfactorily. An IMC focus, however, provides international buyers and sellers with a more narrow range of factors to understand and manage related to their common goals. They can thus concentrate their efforts on meeting specific milestones that help to get the job done. This concept has parallels. Kanter & Corn (1998) found that the context of international interactions was more important to satisfaction than cultural sensitivity. The following proposition is therefore proposed for consideration.

P5 Agreement on task goals and how these can best be achieved will assist international buyers and sellers develop sound relationships.

This is not to suggest that international businesspeople should ignore developing their inter-cultural skills. It is just that such self-awareness and understanding of others takes a considerable time to develop (Fontaine, 1991). Further, in this regard, there appears to very little IMR about the effectiveness of different IM training programs. This area needs greater research attention if the international marketing discipline is to contribute to the education and training of truly international marketing practitioners. The next two propositions that are proposed should help lay the groundwork for further research in this area.

P6 International marketing training programs primarily focus on teaching general national cultural imperatives, rather than focusing on developing awareness of the culture-bound aspects of a trainees behaviour.

P7 International marketing training programs that develop problem-solving skills related to specific international scenarios and tasks will be more successful than those that focus on developing cultural sensitivity.

In the next section key field findings (Chapter Four) in relation to communication are reconsidered and propositions presented for further examination.

5.4 Communication: Alternatives to the IM View

IM scholars have commonly ignored the communication component of international marketing, while domestic marketing researchers have dealt with it only in a little more depth (Chapter 2.2.3). An examination of IM relationship studies, nevertheless, identified that this group of scholars advanced an implicitly competitive model of these interactions (Chapter 2, Table 2.4). Further, they often

assumed that inter-cultural and intra-cultural encounters were the same. In the following sections these issues are addressed in relation to field findings.

5.4.1 Co-operative Behaviours

Much of the rhetoric of the marketplace, that has emerged from the economics and marketing disciplines, focuses on individualism, self-interest, autonomy, competition, and efficiency. These same values do not drive all individuals and societies (Dana, 2000b; Casson, 1995; Hefner, 1998). As Blau (1993, p. 29) observed; such a stance "...masks the reality that much success in economic life is actually the result of cooperation," but little is heard of this other side of economic life because views such as these are so powerful and strident.

Balinese sellers cooperated with their local and foreign buyers. For example, providing samples for them and giving them extended credit. They also assisted less successful carvers by exhibiting their work, and they called on friends, family, and neighbours if they required assistance in their businesses. (They expected them to do the same if they required help.) As explained in Chapter Four, this sense of interdependence and obligation was how they achieved all the demands placed on them by the various groups that they belonged to (Chapter 4, Figure 4.3?). The following area is thus recommended for further study.

P8 Social networks play a crucial role in helping small and medium-sized organisations in collectivist countries develop their markets.

This proposition could be expanded to include an examination of the role of informal agents in attracting customers, since these types of intermediaries were found to have a powerful position in the Balinese woodcraft industry.

5.4.2 IM Interactions: Negotiations, Haggling or Something Else?

Relations between Balinese sellers and their foreign buyers were relatively brief. They did not involve protracted negotiations or more individuals, other than any agents that may have been present. The IM relationship studies that were analysed, however, predominantly assumed them to be so (Chapter 2, Tables 2.2 and 2.4 and Chapter 4).

Lee and Earl (1993) used the term 'higgling' to explain the social and leisurely give and take process that typified buying and selling in primitive and undeveloped markets. Developed, industrialised markets with large production runs, it was argued, would not have the time and inclination to behave in such a way, as task and economic concerns would be paramount. Higgling, if observed at all in the modern marketplace, was thought to be the preserve of products that were unique in some way.

Competition ...tends to make for a uniformity of price and 'higgling' should rather be taken as a sign of an uncompetitive market, or one whose trading is not sufficiently regular for normal values to become quickly established (Lee & Earl, 1993, p. 236).

Marketplace behaviours in Bali, at least in the section of the woodcraft industry that was explored in this study, could not be described as either negotiations or higgling. Furthermore, it was a highly competitive market with clear patterns of behaviour (Chapter 4). It would seem reasonable to suggest that there are likely to be a range of different buyer and seller behaviours, other than higgling and negotiations. As a starting point, it would be useful to profile a variety of these interactions to establish if this assumption is valid.

5.5 IM Relationships and Beyond: Alternatives to the IM View

As established during the analysis of IM relationship research, investigations into buyer and seller interactions have focused entirely on dyads. It was observed, however, that domestically oriented marketing scholars had investigated the impact of business networks on dyads and on individual businesses (Chapter 2, Figure 2.2), although they typically treated the relations that they studied as though they were central to other relationships (Chapter 2.3.2 and Figure 2.2). This section now explores these issues further as fieldwork showed that Balinese seller and foreign buyer interactions were directly and indirectly influenced by other relationships (Chapter 4.3.5 and Table 4.7).

5.5.1 Other Views of Business Relationships

The IM literature review presented in Chapter Two was confined to studies of marketing relationships, since a key goal of conducting the analysis was to establish the state of marketing research in that domain. This meant that other international

business relationship research was excluded here. This section therefore examines other literature that may shed light on field findings.

Liang and Parkhe (1997) noted that there was an extensive body of import-export research. Most of these studies, however, were underpinned by the assumption that exports were exporter driven, that these relationships were equally sought by both parties, and that they were isolated dyadic interactions.

Scholars interested in the internationalisation of small and medium sized enterprises (SMEs) also commented about the fragmented nature of research in their area. In particular, they observed that while formal and informal relationships were critical to the internationalisation process, research of them had been largely overlooked (Bell, 1995; Casson, 1995; Styles & Ambler, 1994; Styles, 1995).

Katsikeas and Percy (1990) and Katsikeas and Al-Khalifa (1993) examined the international relationships of partners from a developed and developing country. They noted that these relations were not equally contributed to. The relationship partner from a developed country was found to play a critical and more powerful role. Katsikeas and Percy (1990) observed that this was because many developing country managers were unfamiliar or unaware of the marketing and promotional issues that needed to be addressed. Developed country partners, however, had this expertise.

My field study of Balinese woodcraft sellers and their foreign buyers confirms the comments of this group of researchers. Foreign buyers initially drove relations between participants. Balinese sellers simply provided products. These relations were also not contributed to equally by both parties, at least in terms of the tasks required to distribute, market, and sell the woodcraft to overseas end customers. Foreign sellers had a significant role in these relationships in this regard. Field findings also established that Balinese seller and foreign buyer relationships did not exist as isolated dyads. Formal and informal agents, family and friends played a significant role in their success. These observations lead to the following propositions.

P9 Sellers from developing countries will have limited power in their international relationship if they are dealing with buyers from developed countries because the latter have the expert knowledge and power that is needed to distribute, promote, and market to end markets.

5.5.2 The Impact of Key Societal Institutions on International Relationships

Past and current environmental forces, such as major formal and informal societal institutions, shape the actions of individuals and organisations (Dana, 2000b; Dacin, 1997; Hillman & Keim, 1995; Hodgson, 1988; Whitley, 1992). Further, the history, economies, and dominant institutions of no two societies are identical, which means that business structures and behaviours will vary as well (Astley & van de Ven, 1983; Dacin, 1997). Within an industry, however, there will be similarities in business practices due to dominant institutional norms (Casson, 1995; Dacin, 1997; Hefner, 1998; Hillman & Keim, 1997; Whitley, 1992). For example, Whitley (1992,

pp. 9-11) noted that quite different business systems have been successful in Asia compared to the West. In Japan, for instance, relational contracting and membership in inter-market business groups have been popular, while family-oriented businesses have been the preferred business pattern among the overseas Chinese.

In this field study it was noted that interdependence, obligation and harmony in relations were critical to all Balinese Hindu. Local woodcraft sellers were observed to exhibit these behaviours and characteristics in their relationships and business practices. For example, their extended social networks helped them establish their businesses, gain resources, and they provided labour, and helped attract customers to their premises. The Balinese sellers that were interviewed were also excellent imitators and highly adaptive to the needs of others around them. These findings suggest the following proposition for future study.

P10 International business behaviours will reflect the key values of the major societal institutions in which they are embedded.

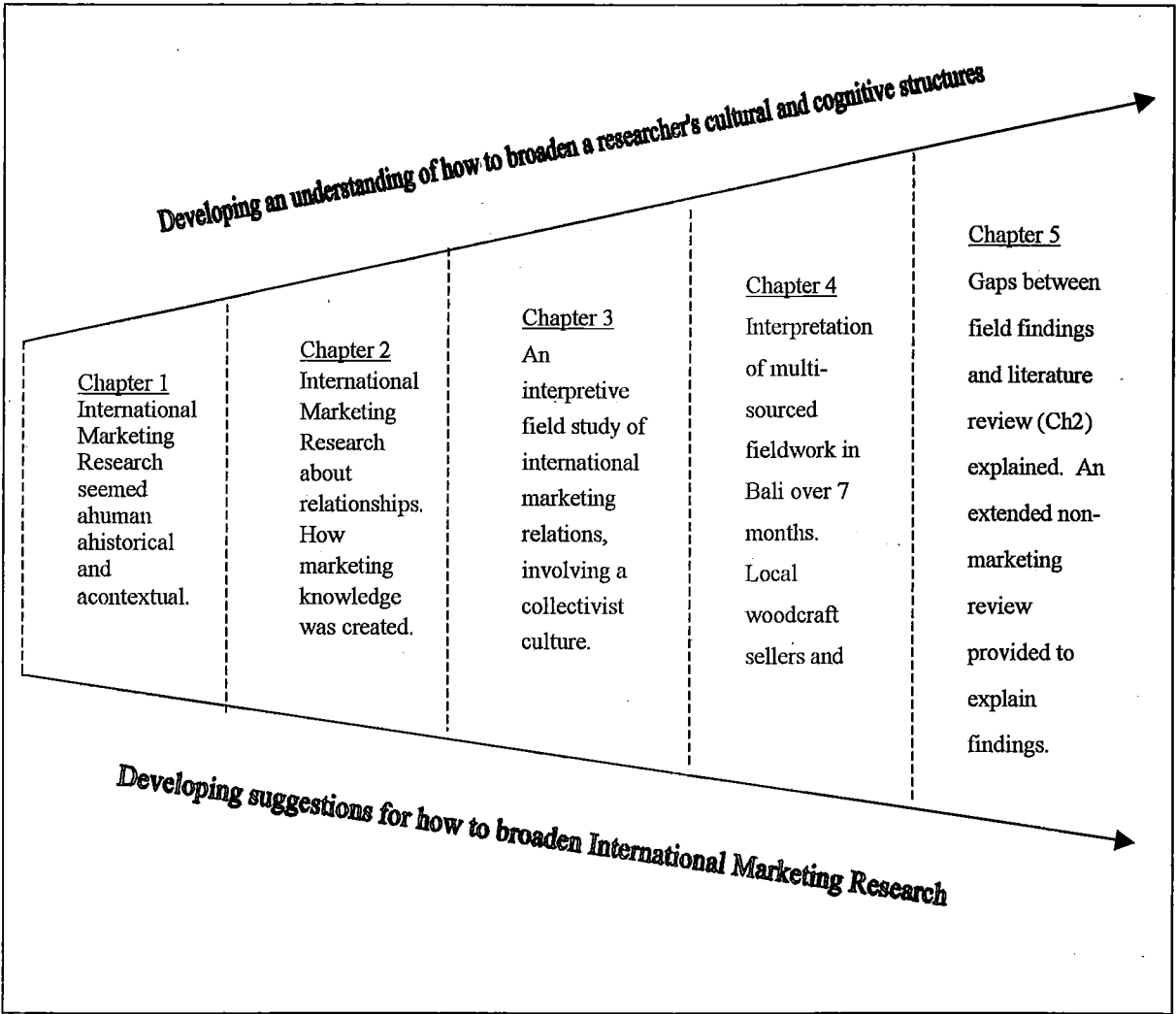
In the remaining section an overview of this thesis is provided. The current state of IM relationship research is also re-examined and suggestions made as to knowledge in this area may be advanced.

5.6 Reflections and Recommendations for Future International Marketing Relationship Research

Figure 5.1 illustrates how this thesis unfolded. Initially the aim of my research was to establish if international marketing research had a human face (Chapter 1). To that end I identified and investigated the characteristics of IM relationship research (Chapter 2).

This revealed that this body of literature was very narrowly developed (Chapter 2, Table 2.2). A decision was therefore made to extend the review to include an examination of marketing scholars' understanding of culture, cognition, and communication, as these factors were considered to underpin all human interactions.

Figure 5.1: An Overview of the Research Process



This led an exploration of how knowledge is created for all of this research seemed underpinned by similar assumptions. Both steps, it was argued would help shed light on how IM relationship knowledge could be developed.

Completion of the literature analysis and review led to the two other important goals of this study, to extend existing knowledge in this domain by adopting a different research philosophy to the positivist tradition that was found in the IM relationship research (Chapter 2, Table 2.4). By so doing it was also hoped to draw attention to the fact that culture has had a significant influence on the mainstream marketing discipline.

A hermeneutically-oriented market ethnography of owner-managers of small businesses in Indonesia, selling to foreign buyers was selected to illustrate how a different research philosophy can extend knowledge in a research area. Hermeneutics was chosen as a guiding philosophy because of its reflective nature and its recognition of the role of prior understanding in influencing a researcher's interpretation. Basic interpretive principles were also adopted at this stage of this thesis, as hermeneutics is a philosophy rather than a practical methodology (Chapter 3).

In the interpretive manner, data was gathered from a variety of sources over an extended period in Bali. Field immersion, interpretive scholars argue, increases the likelihood that a researcher will gain a better understanding of local world-views than if a researcher chooses to armchair theorise, as was found to be a common practice of IM relationship scholars.

Field information was interpreted in three stages, first by scene setting, then by introducing the participating Balinese woodcraft sellers and the foreign buyers of their products (Chapter 4). In the next stage of data analysis, the relationships between these buyers and sellers were explored. During the following part of the interpretation the pre-field propositions and checklist, outlined in Chapter 3 were reconsidered, along with key relationship themes arising from data from other sources. In closing this interpretation of fieldwork, field findings were compared to the IM relationship research presented in Chapter 2 (Tables 2.2 and 2.4).

In the remaining section attention turns to the implications of this field study and its findings to international marketing research. Recommendations are made as to how knowledge in this area can be expanded.

5.6.1 Beyond a Single Research Perspective

IM relationship research has been narrowly developed because of the single research philosophy that has been adopted (Chapter 2.3, and Tables 2.2 and 2.4). As Hardy and Clegg (1997, s. 14) observed:

Theorising that is nomadic, that ranges across territories of intellectual life is, we believe, more valuable and more interesting than theory that sticks to its own knitting, secure within its own conventions and boundaries.

This would seem to be a particularly critical issue for international marketing researchers to address, especially as existing studies in this area were noted to be very narrowly defined (Chapter 2.3). For, with the exception of consumer behaviourists, marketing scholars have continued to view their world from a strongly positivist and individualistic tradition (Chapter 2, Section 2.4). Furthermore, conducting any type of international research is a complicated undertaking, compared to domestic research. When a scholar undertakes a study in a culture significantly different to their own and that of their discipline, however, much more care needs to be taken than for domestic studies as their own assumptions and values may be unwittingly transported as well (Dana, 2000b).

This was found to be the case in the IM relationship research that was analysed in Chapter Two.

To be really international in orientation, marketing academics need to become more open to other ways of understanding the world. Continuing research in this domain in a similar manner to that of the past will not advance knowledge in this area very far. It is further argued that no single research philosophy has all the answers. A multi-philosophical perspective is therefore called for in international marketing. Urgency is needed in this regard because, as Redding (1997, p. 417) noted, interactions between individuals from different cultures are rapidly increasing and they urgently need theoretical support. In practice business people are forced to cope by themselves, hoping that academia will eventually catch-up. Such is the state of IMR.

5.6.2 Searching For Paradox and Tension

Poole and van de Ven (1989), and Weick (1989) have suggested that theory development and knowledge creation can be built by adopting a research approach similar to that conducted in this thesis. These scholars advocated an examination of the paradoxes and tensions between different theories, such as between IMR and more sociologically-oriented ideas, as identified in the extended literature review at the beginning of this chapter. Further, disciplined imagination is called for to shift research beyond repetition and validation, both of which were found to be common in the IM that was reviewed in Chapter 2. As Weick (1989, p. 519) commented;

Most descriptions of theory construction sound very much like conventional linear descriptions of problem solving, which is unfortunate in at least two-ways. First, theory building involves simultaneous parallel processing, not sequential thinking. One might go even further and argue that when

theorising is modelled after linear-problem solving, the outcomes are unremarkable. Second, when theorising is equated with problem solving, the theorising is dominated by the question.

5.6.3 Conclusion

Hogner (1997), Toyne & Nigh (1997), and Sullivan (1998), among others, recently observed that international business remains trapped in distinctively drawn disciplinary boundaries and this has done little to advance research in this domain. They called for a serious reconsideration of the value of maintaining such a pigeonholed and narrow approach. This comment is beyond the boundaries of this thesis. However, it is an important issue that those in the IM disciplinary area need to explore, especially if this area is to continue to contribute to global marketing activities. International marketing, it is argued, is all the poorer for its scholars' lack of vision and self-reflection about the nature of their own assumptions and values, as well as the practical implications of conducting business in today's marketplace. As Marcel Proust once suggested, the real world of discovery begins not with visiting new places but in seeing familiar places with new eyes. This has been the intent of this thesis.

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APPENDIX 1: INTERVIEW PROTOCOLS, QUESTIONS AND GUIDELINES

APPENDIX 1

INTERVIEW PROTOCOLS

- 1. Pre-interview**
 - ◆ Setting appointments and introductions
 - ◆ Pre-site research/information
- 2. First Visit**
 - ◆ Introduction
 - ◆ Determining suitability and willingness to assist
 - number of employees
 - markets
 - overseas selling
 - language
 - ◆ Rapport/trust building
 - ◆ General demographics - products, owner details, operations
 - ◆ Next interview times
- 3. Post Interview Procedures**
 - ◆ Researcher and assistant overview of interview
 - ◆ General observations/comments
 - ◆ Areas of further probing/new questions
- 4. Second Visit**
 - ◆ Rapport/trust building
 - ◆ Recap on list visit queries
 - ◆ Focus on selling procedures
 - new situations
 - rebuy situations
 - local buyers
 - overseas buyers
 - manufacturing details
- 5. Post Interview Procedure (see 3 above)**
- 6. Third Visit**
 - ◆ Rapport Building
 - ◆ Recap on emerging issues/further questions
 - ◆ Critical incidents/memorable experience with buyers
 - ◆ Competitors/market experience
 - ◆ Next meeting times

7. **Post-Site Activities (see 3 above)**
8. **Fourth Site Visit**
 - ◆ Clarification of emerging themes/issues
 - ◆ Probing of selling process - domestic and international
 - ◆ Industry knowledge and experience
 - ◆ Personal life and worklife interference
 - ◆ Leaving the field
9. **Post Site and Field Activities**
 - ◆ Researcher and Research Assistant debriefing
 - ◆ Clarification of general themes, codes and findings

APPENDIX 1

INTERVIEW - INTRODUCTIONS WITH TRADERS (I)

1. Who we are?

2. What we are trying to do?

- ◆ small business with two or more years of experience.
- ◆ learn about what happens when someone tries to buy or sell something with another business person.
- ◆ we can read books but best way for us to learn is to talk to business people and listen to them.
- ◆ we want to find out what usually happens first, second, third etc . . . the process, what they expect should happen when someone wants to buy from them.
- ◆ we want to learn from them what is important to them when they meet a new potential buyer.
- ◆ we also want to understand all of this to help people from New Zealand and Bali to do business together. People from different countries sometimes do things differently . . . We want to learn about this.
- ◆ When we can understand all of this better we can help business to improve their sales and we can teach students about doing business with different countries.

Who we would like to talk to:

We want to speak to people who have been in business for more than 2 years. We also would like to speak to the person who sells to the art shops or supermarket or department stores . . . The person who wants to sell to other business people.

How long for?

- ◆ We want to first understand about your business;
- ◆ Why do you do business with some people and not with others.

We would like to come back to talk to you again (maybe 1 or 2 times).

Benefits for you

- ◆ Help students and other people (overseas) understand more about what is important to business people in Bali;
- ◆ Give you a copy of what we learn;
- ◆ Give you the names and contact numbers of people from New Zealand who may be interested in doing business with you and give them yours.

FIRST INTERVIEW: Background (1)

Date:	_____	Respondent:	_____
Place:	_____	Age Respondent:	_____
Company:	_____	Ethnic Group:	_____
Sex of Respondent:	_____	Interviewer:	_____

Company and Respondent Background:

Company Products (before/now/future):

Usual Buyers/Customers (description/explain):

****Routine Local Buyer (what happens/the process):**

****Ideal New Buyer (characteristics and steps/process for initial meetings):**

SECOND INTERVIEW WITH TRADERS (2)

1. **Recap on last meeting - scripts** - Check scripts for routine local buy → show them for any clarification
2. **Checking scripts** - Are some of the things that happen when you meet a new buyer more important than others . . . what do you ideally hope a new buyer will do? Be like?
3. **New Buyers**
*Before you explained the ideal characteristics of a new buyer.
Can you explain (perhaps as if someone didn't know Balinese)
What are Balinese like? (. . . their characteristics and the things that are important to them)
4. **Foreigners**
*Have you had any experience (work/personal) with foreigners, ie Westerners (positive and negative)
Describe their characteristics / tell me about . . .
*Are most westerners like that? . . (which are the ones you know mainly from)
*Have you had experience/know anything about NZers?
Describe . . . is that what you have heard about (stereotypes). Ask them what sort of behaviour would they expect from someone like that)
*What kind of thing/behaviour would the Westerner (NZer) have to do or be like to make you change your mind about liking/not liking them and doing business with them?
5. **Checklist**
*If you were asked to give advice to a group of business people, like yourself, but from New Zealand, about the best things to do when meeting a potential seller (like yourself) . . . what kind of advice would you give them (ie Balinese view of themselves)?

INTERVIEW GUIDELINES (3)

Go over last meeting - new buyers

- ◆ trust/uncertainty issues
- ◆ their concerns
- ◆ what do/did you talk about?

Dealing with locals foreigners . . . discuss similarities and differences.

Introduce checklist (explain)

- ◆ Western origin about doing business in Indonesia
- ◆ What is really important? What do you think foreigners should understand about doing business in Indonesia?
- ◆ What is really important? What do you think foreigners should understand about doing business in Indonesia?

Go through checklist/observe comments

What things, would you say, are important when doing business with foreigners (what would you advise other Balinese)?

FOLLOW-UP INTERVIEWS WITH PARTICIPANTS

(October 1997)

1. What is the role of Government in Art Market?

- ◆ do they tax Ukiran?
- ◆ are Ukiran part of the formal business sector?
- ◆ do they regulate Ukirate in any way?
- ◆ did the government wet up the Granyar Art Market? How? Why?

2. What is the Balinese attitude to buyers and sellers?

i.e. are they of equal status, are buyers more important?

3. Does this industry effect the traditional life and roles of Balinese women? Does it impact on traditional responsibilities?

4. Does marketing have a place (role) in this industry?

5. Are there "problem" Ukiran? eg. who take customer from the others, that copy others products, that cut their prices? How do local Ukiran deal with this (if this occurs)

6. I need to find and talk to one or two people who specialise as agents or interpreters - linking Ukiran with overseas buyers.

What made this start doing this?

Is it a full-time job? How did they start? Why?

APPENDIX 2: CHECKLIST CONSIDERATIONS

Checking the checklist

A cross-check on the typical list of advice given to foreigners doing business in Indonesia (with special reference to buyers and sellers rather than managers 7 to initial business meetings)

* Complete these statements (from your perspective)

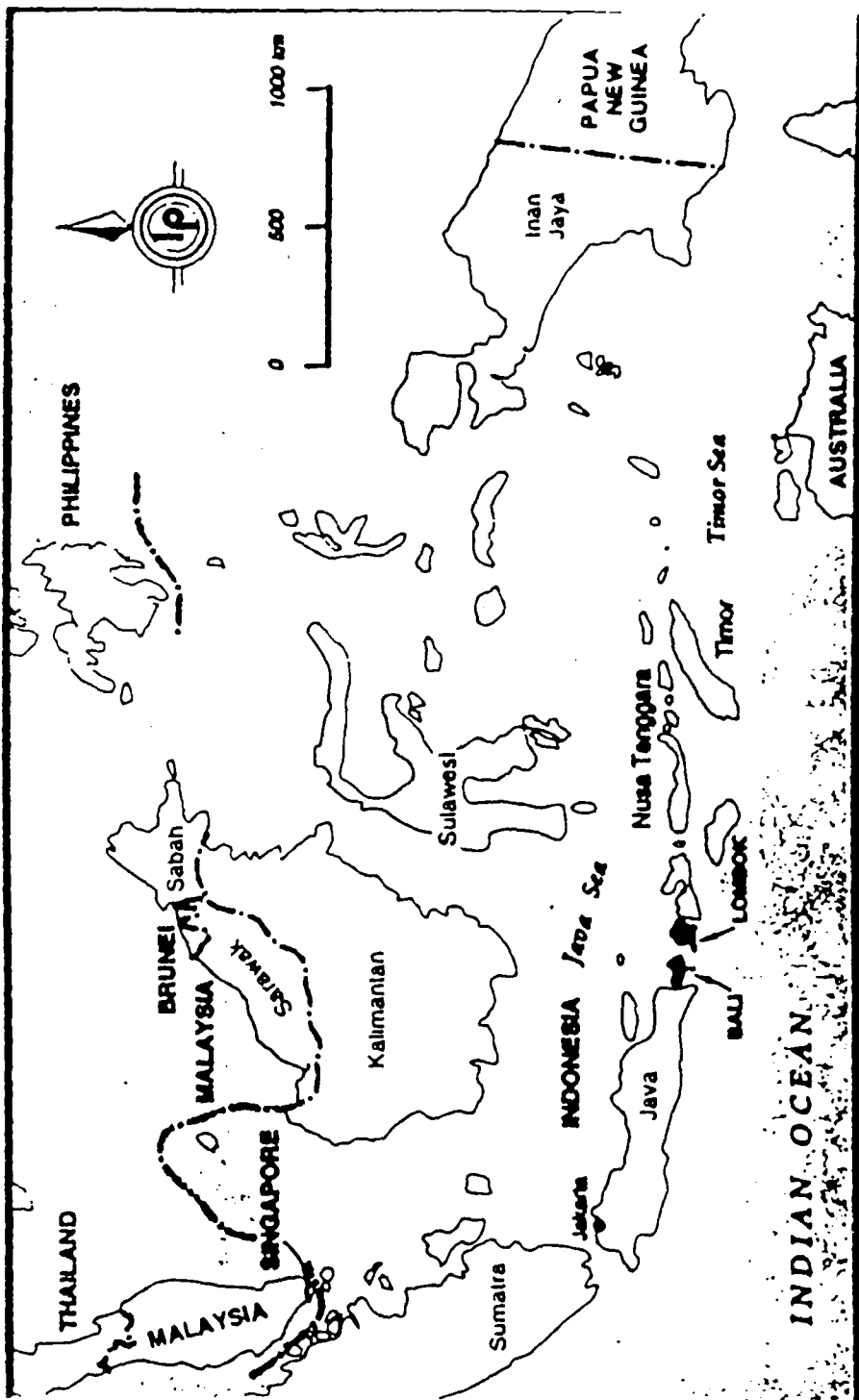
		Very important or Really Liked	Important or Liked	Not Important
1.	Formal politeness & restrained voices & behaviour			
2.	Impersonality & haste in conducting business			
3.	Consensus and harmony are			
4.	A person's status & credentials are			
5.	Getting to know someone is			
6.	Discussions about the buying or selling task are			
7.	Gift-giving is			
8.	Time constraints & deadlines for doing business are			
9.	Legal business contracts are			
10.	Keeping 'face' & avoiding giving bad news or criticism is			
11.	Choosing favourable days for important decisions is			
12.	Personal introductions & connections in business are			

Appendix 2: Checking the Checklist

Question	PR	IN	IR	IK	PM	PM	PP	IC
1	VI	VI	I	I	I	VI	I	I
2	?	NI		NG	?/NG	?	?	NI
3	VI	I	I	VI	VI	I	I	I
4	NR	NR/?	NI	NI	NI	NI	NR	NI
5	VI?	VI?	I	I	I?	VI?	VI?	I
6	VI	I	VI	VI	VI	I	I	I
7	NI	NI/?	?	NI	NI	NI	NI/?	NI
8	VI	VI	VI	VI	VI	VI	VI	VI
9	VI	NR	NR	NR	VI/?	NR	NR	NR
10	I?	I?	I	?	I	I	?	I
11	NI	NI	NI/?	NI	NI	NI/?	NI	NI
12	NI	NI	I	I	I	NR	NI	NR

KEY: VI/VG = very important/very good
 I/G = important/good
 NI/NG = not important/not good
 NR = not relevant
 ? = situational/depends

APPENDIX 3: MAP OF INDONESIA



APPENDIX 4: RESEARCH VISA DOCUMENTATION AND CULTURAL CLASSES



PROGRAM- PROGRAM SINGKAT LD-TEC!
JANGAN SAMPAI TERLEWAT SEGERA DAFTARKAN DIRI ANDA!



TOEFL PREPARATION

• **PROGRAM UMUM**

**ENGLISH
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KIDS**

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UNTUK SISWA
SD DENGAN SISTEM
BELAJAR AKTIF

**ENGLISH
FOR
COMMUNICATION**

BAGI SISWA
SMU UNTUK
MENINGKATKAN
KEMAMPUAN
BERKOMUNIKASI

***BUSINESS
ENGLISH***
CORRESPONDENCE
REPORT WRITING

DIRANCANG BAGI
MEREKA YANG
BERKECIMPUNG
DALAM DUNIA
BUSINESS

**ENGLISH
FOR
HOTEL & TOURISM**

MENYIAPAKAN
MEREKA YANG
INGIN TERJUN
DALAM DUNIA
PERHOTELAN DAN
PARIWISATA

• **PROGRAM KHUSUS**

**BAHASA
INDONESIA
FOR
EXPATRIATES**

TO PREPARE BASIC
INDONESIAN COURSE
TO HELP EXPATRIATES
TO SPEAK INDONESIAN

**KURSUS
BAHASA JEPANG**

KURSUS DASAR BAHASA
JEPANG DENGAN
METODE KOMUNIKASI
UNTUK TUJUAN PRAKTIS

**KURSUS
COMPUTER
*MICROSOFT
OFFICE***

DENGAN PROGRAM
WORD 7.0, EXCEL 7.0,
ACCESS 7.0
POWER POINT 7.0
DENGAN METODE
PENGAJARAN PRAKTIS

**TERJEMAHAN
DAN
PENGETIKAN**

MENERIMA TERJEMAHAN
INDONESIAN - ENGLISH
ENGLISH- INDONESIAN
MENERIMA PENGETIKAN
PAPER, SKRIPSI, TESIS,
LAPORAN, DLL.

DITANGANI OLEH PARA INSTRUKTUR YANG BERPENGALAMAN



**YAYASAN GUNA WIDYA
FAKULTAS SASTRA
UNIVERSITAS UDAYANA**



**LANGUAGE DIPLOMA TRAINING AND EDUCATION CENTRES
(LD-TEC)**



**SUDAHKAH ANDA MENGENAL LD-TEC ?
DISAMPING MEMBUKA PROGRAM
DIPLOMA I & II BAHASA INGGRIS DAN
SEKRETARIS PERHOTELAN**

**KAMI JUGA MENYEDIAKAN
PROGRAM-PROGRAM SINGKAT
YANG SANGAT MENARIK DAN
BERVARIASI UNTUK SEMUA
TINGKATAN DAN UMUR !**

**UNTUK MENJAWAB
TANTANGAN MASA DEPAN
ANDA SEKELUARGA.**

PILIH LAH KELAS / PAGI / SIANG / SORE / MALAM

KENAPA MEMILIH LD-TEC ?

- KUALITAS STAF PENGAJAR
- LOKASI STRATEGIS DITENGAH KOTA
- PROFESIONALISME DAN METODA PRAKTIS
- KEPUASAN ANDA ADALAH TUJUAN KAMI

**SIMAKLAH DENGAN BAIK
PROGRAM-PROGRAM LD-TEC !**

**KELAS-KELAS BARU DIBUKA
SETIAP AWAL BULAN.**

HUBUNGILAH KAMI SEGERA

**JLN. NIAS 13 DENPASAR PHONE: :224121
ATAU**

**JLN. SERMA GEDE 5 (DISEBELAH TIMUR
DRIA RABA) PHONE: 223220**



LEMBAGA ILMU PENGETAHUAN INDONESIA
(Indonesian Institute of Sciences)

SASANA WIDYA SARWONO
Jl. Jenderal Gatot Subroto No. 10, Jakarta 12710
Telp. : 5251542, 5225711

Tromol Pos : 1250 / Jakarta 10012
4324 / Jakarta 12180

Alamat kawat : LIPI
Telex : 82554
Fax : 520722

No. : 2924/V3/KS/1997 Jakarta, 11 Juni 1997

Lampiran :
Encls. : Kepada Yth.:
Kepala Kantor Wilayah
Departemen Kehakiman Bali
u.p. Koordinator Keimigrasian Bali
Jl. Raya Puputan - P.O. Box 64
Denpasar

Perihal :
Subj. Matter : Permohonan ijin exit reentry
permit bagi Ms. L.E. William

Dengan hormat,

Dengan ini kami beritahukan bahwa Ms. Lesley E. William, warganegara Inggris, pemegang paspor nomor 700793601 adalah peneliti yang saat ini sedang melakukan penelitian di daerah Bali, selama 6 (enam) bulan mulai tanggal 20 Januari sampai dengan 17 Juli 1997.

Sesuai rencana yang telah disampaikan kepada kami pada awal kedatangannya, pada tanggal 24 Juni 1997 yang bersangkutan akan ke Wellington, New Zealand selama 5 hari untuk menghadiri pertemuan. Pada prinsipnya LIPI tidak berkeberatan atas rencana tersebut.

Sehubungan dengan hal tersebut kami mohon bantuan Saudara kiranya kepada yang bersangkutan dapat diberikan exit reentry permit untuk menghadiri pertemuan tersebut dan kembali lagi ke Indonesia untuk menyelesaikan penelitiannya.

Perlu kami sampaikan bahwa yang bersangkutan telah mendapatkan visa selama 6 bulan berlaku sampai dengan tanggal 17 Juli 1997. Bilamana kurun waktu visa yang bersangkutan tidak sesuai dengan prosedur untuk mendapatkan exit reentry permit, kami mohon kiranya Saudara dapat membantu memberikan perpanjangan 1 bulan sampai dengan 17 Agustus 1997.

Atas perhatian, bantuan serta kerjasama Saudara, kami mengucapkan terima kasih.

a.n. KEPALA BIRO KERJASAMA IPTEK



Dra. Dewi Soenarijadi
NIP 320000992
Kabag Kerjasama Antar Lembaga

Tembusan kepada Yth.
Lembaga Penelitian, Universitas

ap2/pdps.pj

PEMBERITAHUAN PERUBAHAN

Nama lengkap : Hesti Herlina Wulandari L/P *

Tempat / tgl. lahir : tempat 9 Januari Tgl. 1976

Kebangsaan : Indonesia

Alamat : Jl. ...

Pekerjaan : ...

Dokumen perjalanan * : ☒ 1. Paspor 2. Certificate of Identity 3. Nihil
 Nomor 7451500 Tempat pemberian ...

DOKUMEN IMIGRASI/IZIN KEIMIGRASIAN * :

1. Izin Tinggal Kunjungan lebih dari 90 hari. ☒ 2. Izin Tinggal Terbatas

3. Izin Tinggal Tetap.

NOMOR : 221EB 0038.T Tempat pemberian Depnabam

Tgl. pemberian 230197 berlaku s/d 120797

Perubahan (hanya diisi yang merubah dengan melingkari nomor perubahan yang sesuai)

Penambahan * : 1. Kelahiran 2. Alih Status dari PS ke ITAS 3. Alih Status dari ITAS ke ITAP
 4. Pindah/datang dari Kanim lain. 5. Pendatang Baru dengan Visa Tinggal Terbatas

Pengurangan * : 6. Meninggal dunia 7. Menjadi WNI 8. Pindah/keluar kelain Kanim.
 9. Meninggalkan WIL. Indonesia untuk tidak kembali 10. Reentry permit/tidak kembali.
 11. Tindakan Keimigrasian

Perubahan Biasa * : 12. Pindah alamat/lokal 13. Alih Jabatan 14. Alih sponsor
 15. Kawin 16. Cerai 17. Ganti kebangsaan (tetap WNA)
 18. Ganti nama 19. lain-lain. Rep

Nama lengkap pelapor : Hesti Herlina Wulandari

Keterangan tersebut diatas benkut bukti-bukti yang saya ajukan/tampilkan adalah sesuai dengan keadaan sebenarnya.

Nama lengkap pelapor : Hesti Herlina Wulandari Tanda tangan ...

CATATAN PEMERIKSAAN PETUGAS IMIGRASI 15 FEB 1997

Nama tempat, tanggal penerbitan surat/akte yang mendukung perubahan

1. Depnabam N: 823/113/108/96 Jm. 130297

2. Kep. N. 221EB 0202.T Jm. 14.02.97 R. 1206.97

3. ...

Pendapat Pejabat Imigrasi

(.....)

No. Register Mutasi 223EB 0000.T

No. Register Pendaftaran 221EB 0000.T

05.02.1997 040034443



SURAT KETERANGAN JALAN
Traveling Permit

DIBERIKAN KEPADA / ISSUED TO

1. Nama / Name **LESLEY ELAINE WILLIAMS.**
2. Tempat dan tgl. lahir / Place and date of birth **London, 09 Januari 1954.**
3. Warganegara / Nationality **Inggris.**
4. Pekerjaan / Occupation **Senior University Lecturer.**
5. No. Paspor, tgl. dan berlaku s/d / Passport **700793601 tgl. 17-01-1994.**
No. Place and date of issued valid until **17-01-2004.**
6. Keterangan lain-lain / Others **VBS No. 016/BS/97 untuk 6 bulan.**
Tiba tgl. 18-01-1997.
Alas perintah / persetujuan / Applied / aproved by **LEMBAGA ILMU PENGETAHUAN INDONESIA.**
Tersebut dalam suratnya tanggal /
Re-letter of, date **20-01-1997 No. 242/V.3/KS/1997.**
Maksud kunjungan / Purpose of visit **Riset dalam bidang Ekonomi.**
Ke / To **Bali, Jakarta.**
Dalam rangka / In accordance with **Mengumpulkan data guna menambah**
pengetahuan yang berjudul :
Mulai tanggal / From **20 Januari 97 s/d/till 17 Juli 1997.**

PERHATIAN / ATTENTION

**Internationalization
Marketing Cross
Cultural Business
Exchange.**

**SC BAKIN Nomor :
R-1427/X/1996
Tgl. 2-10-1996.**

**After getting KITAS
please make SKLD
(Police Registration
Book) as soon as
possible.**

- Penanggungjawab penginapan wajib menyampaikan daftar tamu OA kepada Kantor Kepolisian Negara RI setempat, selambat-lambatnya 24 (dua puluh empat) jam sejak tanggal kedatangan OA yang bersangkutan. (PP No. 31/1994 Pasal 9 ayat (2)).
- Managers of hotels, inns, boarding houses an the like are obligated to submit list of foreign visitors to the local office of the state Police not later than 24 hours since the arrival of the foreigners (PP No. 31/1994 Pasal 9 ayat (2)).
- Setiap orang yang memberikan kesempatan OA menginap ditempat kediamannya wajib melaporkan kepada Kantor Kepolisian RI atau pejabat Pemerintah Daerah setempat dalam jangka waktu 24 (dua puluh empat) jam sejak tanggal kedatangan OA tersebut. (PP No. 31/1994 Pasal 10).
- Anybody providing the opportunity to stay for foreigners is obligated to report to the office of the state Police or the local Regional administration within 24 hours since the arrival of the foreigners (PP No. 31/1994 Pasal 10).

Dikeluarkan / Issued : Jakarta
Pada tanggal / date : 20 Januari 1997

An. DIREKTUR INTELIJEN DAN PENGAMANAN POLRI
IS BESAR KEMENTERIAN RI
DIREKTUR
DIREKTORAT INTELIJEN
Drs. PURWONO SIGIT
KOLONEL POLISI NRP. 44080007

Pas photo dan tanda lain-lain

kepada Gubernur Kepala Daerah Tingkat I Cq. Kepala Direktorat Sosial Politik setempat dengan menunjukkan Surat Pemberitahuan ini.

2. Tidak dibenarkan melakukan penelitian yang tidak sesuai/tidak ada kaitannya dengan judul penelitian dimaksud.
3. Harus mentaati sesuai ketentuan perundang - undangan yang berlaku serta mengindahkan adat - istiadat setempat.
4. Apabila masa berlaku Surat Pemberitahuan ini sudah berakhir, sedangkan pelaksanaan penelitian belum selesai perpanjangan penelitian harus diajukan kepada instansi pemohon
5. Surat Pemberitahuan ini akan dicabut kembali dan dinyatakan tidak berlaku, apabila ternyata pemegang Surat Pemberitahuan tidak mentaati/mengindahkan ketentuan - ketentuan seperti tersebut diatas.

Dikeluarkan di : J a k a r t a .

Pada tanggal : 21 Januari 1997

An. MENTERI DALAM NEGERI
DIREKTUR JENDERAL SOSIAL POLITIK

u.b



usan :

GUS KDH TK I BALI
Up. KADIT SOSPOL PROP
KARO KERJASAMA IPTEK LIPI
DIR IPP MABES POLRI
s i p.

SURAT PEMBERITAHUAN PENELITIAN

(S P P)

NOMOR : 500.02/057

DIM BACA : Surat KARO KERJASAMA IPTEK LIPI
No.281/V3/KS/97 Tgl 21 Januari 1997
DISINGKAT : 1. Keputusan Presiden Republik Indonesia Nomor 100 Tahun 1993
tentang Izin Penelitian Bagi Orang Asing..
2. Keputusan Menteri Dalam Negeri Nomor 92 Tahun 1992 tentang
Organisasi dan Tata Kerja Departemen Dalam Negeri.
3. Surat Mendagri Nomor : 1270/SOSPOL/DV/X/1980 tanggal 21
Oktober 1980 tentang Pengawasan Terhadap Kegiatan orang
Asing.
DIPERHATIKAN : 1. SIP LIPI No 275/II/KS/1997 Tgl 20 Januari 1997
2. SKJ POLRI NO SKJ/POA_-608/I/1997/Dit IPP Tgl 20-
Januari 1997 berlaku s.d 17 Juli 1997
Memberitahukan bahwa telah diberikan Izin Penelitian oleh :
LIPI

Untuk melakukan Penelitian kepada :

NAMA : Ms Lesley E. WILLIAMS
ALAMAT : 44 Gaweg Road Fundalton New Zealand
KERJAAN : Senior University Lecturer.
KEANGGARAN : Inggris
MATA KULIAH : Internationalization Marketing Cross Cultural -
Business Exchange.
MATA KULIAH : Ekonomi.
LOKASI PENELITIAN : Bali dan Jakarta.

WAKTU PENELITIAN/KEGIATAN : 5 bulan s.d 17 Juli 1997.

KELOMPOK/ PESERTA : -

PEMANGGUNG JAWAB : LIPI

DONOR : Universitas Udayana.

BIAYA DARI : -

Atas nama penelitian penelitian...



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4324/Jakarta 12100

Alamat Kawat : LIPI
Telex : 62554
Fax : 52072

- 2 -

6. Tidak dibenarkan membawa barang-barang/atau bahan-bahan yang menurut peraturan yang berlaku dilarang untuk dibawa ke luar negeri, kecuali dengan izin instansi yang berwenang, menurut peraturan yang berlaku.
7. Memberikan dalam rangkap tiga salinan dari tulisan-tulisannya (Thesis/Disertasi, paper, report atau publikasi lain) mengenai hasil penelitiannya tersebut kepada LIPI.
8. Semua tulisan tentang penelitian yang sedang dilakukan, apabila akan diterbitkan dalam di Indonesia harus terlebih dahulu mendapat persetujuan dari Lembaga Ilmu Pengetahuan Indonesia (LIPI).
9. Memberikan 1 (satu) copy foto-foto, slide/microfilm dan film/video cassette, cassette sebagai hasil penelitiannya kepada LIPI, kalau ada.
10. Surat Keterangan Izin Penelitian ini hanya berlaku selama visa dari Direktorat Jenderal Imigrasi R.I. dan Surat Keterangan Jalan dari Polisi masih berlaku.
11. Setiap usul perpanjangan dan atau perubahan daerah penelitian harus diajukan kepada LIPI selambat-lambatnya 3 (tiga) bulan sebelum surat Ijin Penelitian habis masa berlakunya dengan melampirkan surat rekomendasi dari sponsornya di Indonesia.
12. Setelah penelitian selesai diharap supaya Surat Izin Penelitian ini dikembalikan kepada Biro Kerjasama IPTEK - LIPI.
13. Permohonan untuk exit dan re-entry permit agar diajukan ke LIPI selambat-lambatnya satu bulan sebelum meninggalkan Indonesia disertai surat permohonan resmi dari yang bersangkutan dan surat rekomendasi dari sponsornya di Indonesia.

Demikian Surat Izin Penelitian No. 275/II/KS/1997 tanggal 20 Januari 1997 /1997-
atas nama Ms. Williams diberikan untuk dipergunakan seperlunya, dan
kami mohon dengan hormat, sudilah kiranya instansi-instansi Pemerintah/Swasta maupun perorangan yang dihubungi
untuk memberikan bantuannya kepada yang bersangkutan, sesuai dengan peraturan yang berlaku.

Jakarta 20 Januari 19 97

LEMBAGA ILMU PENGETAHUAN INDONESIA

Deputi Bidang Ilmu Pengetahuan Alam,



Anggerah Nontji ✓
20000638



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(Indonesian Institute of Sciences)

WIDYA GRAHA
Jl. Jenderal Gatot Subroto No. 10, Jakarta 12710
Telp. : 511542 (8 saluran)

Alamat surat : LIPI
Telex : 62584 IA
Fax : 5207228

Transit Pos : 1250/Jakarta 10012

Annex to Research Permit (Surat Ijin
Penelitian) No. Dated

1. Research conducted with Indonesian counterpart (s) should be reported jointly.
2. Written report as mentioned in points 4 and 5 page 1, should supply details of the followings :
 - I. Quarterly progress report should contain detailed but succinct account of:
 - (1) Research objectives
 - (2) Description of study sites
 - (3) Research materials or objects to be investigated
 - (4) Research approach and/or methods
 - (5) Provisional results
 - (6) Problems encountered
 - (7) Planned activities in the next three months.

6 copies
 - II. Tentative final report should cover the following detailed but succinct account of :
 - (1) Introduction
 - o Background information
 - o Scientific justification on the selection of subjects and sites to be investigated
 - o Reviews on and comparison with other studies that have been done previously on the same subject and/or in the same region or else where with similar conditions
 - o Hypotheses to be tested if any

6 copies
 - (2) Objectives
State clearly the research objectives and the scope of studies.
 - (3) Implementation
 - o Detailed description of research site (s) covering physical (geography, topography, climatology, etc), biological, socio economic, cultural and other aspects relevant to the scope of the studies.
 - o Detailed account of and reason for selecting the approach and methods used.
 - (4) Results and discussion
 - a. Detailed account of the results obtained during the studies.
 - b. Discussion of the results covering the meaning, interpretation and significance of the results and directions of future studies.
 - c. Benefits for Indonesian Development Programmes.
 - (5) Conclusion
 - o State important points that can be drawn from the results.
 - o Indicate whether the results can answer and solve the problems and whether they can support or reject the hypotheses put forward in the objectives.
3. Submit the tentative final reports and abstract before leaving Indonesia.] 6 copies
4. Send quarterly and final reports to the Bureau of Science and Technology Cooperation LIPI and the sponsoring agencies (in Indonesia).
5. Failure to comply with the above requirements may end up in the withdrawal of the research permit.



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Tromol Pos : 1250/Jakarta 10012
4324/Jakarta 12190

Alamat Kawat : LIPI
Telex : 62554 U
Fax : 520722E

SURAT IZIN PENELITIAN

No. : ~~IS/KS~~-----PB-5/19

275/II/KS/1997

Lembaga Ilmu Pengetahuan Indonesia dengan ini menerangkan bahwa telah diberikan izin untuk mengadakan penelitian di Indonesia kepada peneliti berikut :

Nama : Ms. Lesley Elaine Williams
Tempat dan tanggal lahir : London, 9 Januari 1954
Warganegara : Inggris
Jabatan : Peneliti
Alamat : 44 Gaveg Road Fundalton New Zealand
(Dept. of Economics & Marketing PO Box 84 Lincoln University
Canterbury - New Zealand)
Nomor paspor : 700793601
Tiba tanggal : 18 Januari 1997
Judul Penelitian : "Internationalization Marketing Cross Cultural Business Exchar
Tujuan Penelitian : Menambah pengetahuan
Bidang Penelitian : Ekonomi
Lamanya Penelitian : 6 bulan
Daerah Penelitian : Bali
Sponsor Penelitian : Universitas Udayana

dengan ketentuan sebagai berikut :

1. Melaporkan kedatangan dan maksud penelitiannya kepada instansi keamanan setempat dengan menunjukkan Surat Izin Penelitian ini, segera setelah ia tiba ditempat tujuannya, dan melaporkan diri sebelum meninggalkan daerah penelitiannya kepada Pemerintah Daerah, dan kepada Spasornya di Indonesia.
2. Berbuat positif terhadap bangsa Indonesia, dan mentaati peraturan-peraturan hukum yang berlaku di Indonesia, khususnya yang berlaku di daerah penelitiannya.
3. Menjaga tata tertib, keamanan, kesopanan dan kesucilaan serta menghindari pernyataan-pernyataan baik dengan lisan maupun tulisan/lukisan yang dapat melukai/menyinggung perasaan, adat istiadat atau menghina agama, dari sesuatu golongan penduduk di Indonesia.
4. Memberikan laporan (yang diketik rangkap lima) kepada LIPI, setiap 3 (tiga) bulan sekali mengenai segala kegiatannya termasuk daftar kwesioner dan nama setiap orang yang telah di wawancara (kalau ada).
5. Sebelum meninggalkan Indonesia, menyerahkan laporan terakhir (yang diketik rangkap lima) dengan menyebutkan beberapa hasil sementara, serta kesan-kesan dari penelitiannya tersebut kepada LIPI, dan menyerahkan abstrak dari penelitian tersebut antara satu sampai dua halaman.



(Indonesian Institute of Sciences)

SASANA WIDYA SARWONO

Jl. Jenderal Gatot Subroto No. 10, Jakarta 12710

Telp. : 5251542, 5225711

Alamat kawat : LIPI

Telex : 62554 IA

Fax : 5207226

Domel Pos : 1250 / Jakarta 10012
4324 / Jakarta 12180

o. : 282./V3/KS/97
Impiran :
ncls.
Prihal :
Subj. Matter : Permohonan KITAS

Jakarta, 21 Januari 1997

Kepada Yth.
✓ Kepala Kantor Imigrasi
Denpasar
Ditjen Imigrasi RI
Jl. D.I. Panjaitan
Komplek Niti Mandala-Renon
Denpasar

Dengan hormat,

Menunjuk surat BAKIN No. R-1427/X/96 tanggal 2 Oktober 1996 dengan ini kami beritahukan bahwa pada tanggal 20 Januari 1997 telah melapor ke LIPI :

N a m a : Warganegara : Nomor paspor :
Ms. Lesley E. Williams Inggris 700793601

Yang bersangkutan bermaksud akan melakukan penelitian di daerah Bali dalam bidang Ekonomi yang berjudul "Internationalization Marketing Cross Cultural Business Exchange" dalam rangka mengumpulkan data guna menambah pengetahuan.

Dengan surat Imigrasi RI tanggal 20 Desember 1996 yang bersangkutan telah mendapatkan visa selama 6 bulan melalui Konjen RI di Wellington.

Sehubungan dengan hal itu kami mohon bantuan dan kebijaksanaan Saudara kiranya kepada yang bersangkutan dapat diberikan KITAS yang berlaku sesuai dengan visa yang dimiliki, bilamana hal itu tidak bertentangan dengan peraturan yang berlaku.

Atas perhatian, bantuan dan kerjasama Saudara kami mengucapkan terima kasih.

KEPALA BIRO KERJASAMA IPTEK,



Soedartono Soedargo, M.Soc.Sc. r
NIP. 320000745

Kitas/vp/p2/II



LEMBAGA ILMU PENGETAHUAN INDONESIA
(Indonesian Institute of Sciences)

SASANA WIDYA SARWONO

Jl. Jenderal Gatot Subroto No. 10, Jakarta 12710
Telp. : 5251542, 5225711

Tromol Pos : 1250 / Jakarta 10012
4324 / Jakarta 12180

Alamat kawat : L
Telex : 6
Fax : 5

No. : 7253/V3/K8/1996

Jakarta, December 26 , 1996

Lampiran
Encls.

Perihal
Subj. Matter

Ms. Lesley Williams
Lincoln University
Department of Economics and
Marketing
PO Box 84, Lincoln University
Canterbury, New Zealand
Fax (64) (3) 325 3847

Dear Ms. Williams,

This is to inform you that the Indonesian Institute of Sciences has approved your research proposal.

Following this approval I have written a letter to the Immigration Office in Jakarta, asking them to issue your visa through the Indonesian Embassy in Wellington.

A copy of the letter from Immigration Office Jakarta dated December 20, 1996 has been sent to the Indonesian Embassy in Wellington. Would you, therefore, please consult the Indonesian Embassy in Wellington.

When you arrive at Soekarno Hatta Airport, Jakarta please tell the Immigration Officer the name of the place where you are going to carry out your research when asked where are you going. However, upon your arrival in Jakarta please report to LIPI as soon as possible.

Sincerely,



Boenarijadi
Division of Inter-
national Cooperation

C.C.

1. Indonesian Embassy in Wellington
- Consular section
- Cultural section
2. Universitas Udayana

lewis/p.1/linda



(Indonesian Institute of Sciences)

SASANA WIDYA SARWONO
Jl. Jenderal Gatot Subroto No. 10, Jakarta 12710
Telp. : 5251542, 5225711

Tromol Pos : 1250 / Jakarta 10012
4324 / Jakarta 12190

Alamat kawat : LIPI
Telex : 62854 IA
Fax : 6207226

No. : 7253/V3/KS/1996

Jakarta, December 26 , 1996

Lampiran
Encls.

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Subj. Matter

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Department of Economics and
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Sincerely,

Mrs. Dewi Soenarijadi
Head Division of Inter-
Institutional Cooperation

- C.C. :
1. Indonesian Embassy in Wellington
- Consular section
- Cultural section
2. Universitas Udayana

Labris/p./linda

DEPARTEMEN KEHAKIMAN
DIREKTORAT JENDERAL IMIGRASI
Jl. Rasuna Said Kav.8-9
Jakarta Selatan

Jakarta. 20 DES 1996
Kepada Yth. :

L I P I
JL JEND GATOT SUBROTO NO 10 JKRT

PEMBERITAHUAN

Sehubungan dengan permohonan Saudara untuk mendatangkan
warganegara asing dengan nama seperti tersebut dibawah ini :

LESLEY ELAINE WILLIAMS.
PP BRITISH CITIZEN

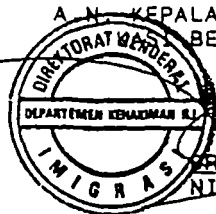
TGL LAHIR 090154
NO.700793601

dengan hormat kami beritahukan bahwa permohonan Saudara di
maksud telah dikabulkan dengan penguasaan Direktur Jenderal
Imigrasi kepada

Perwakilan R.I. di : WELLINGTON
untuk menerbitkan : VISA TINGGAL TERBATAS ENAM BULAN
tanggal : 20 DES 1996

Demikian. agar maklum.

A N KEPALA SUB DIREKTORAT VISA
BERDIAM SEMENTARA



RS. SUYUD
NIP. 840038930

JENIM VS:

No. Agenda	Tgl	Peru
1503	1229	£

HAL: NO....

PENGANTAR
BERITA FAKSIMIL

KEPADA

IOR : VS/SK281/INA/101.96

YTH. DUBES RI

GGAL : 26 DES. 96

UP KASIDIN

HALAMAN : 11/8476

DI WELLINGTON

FAX NO. 644. 970 576

NN

INDONESIA WELLINGTON

12.01.05-9610C-S.514 JIKA MOHON DAN TIDAK ADA HAL YANG MEMBERATKAN
UJU VISA TINGGAL TERBATAS ENAM BULAN PRO SBB TTKDUA
LEY ELAINE WILLIAMS TGL LAHIR 090154
BRITISH CITIZEN NO.700793801
G BERSANGKUTAN AKAN BEKERJA SEBAGAI T K A DI INDONESIA(BALI)
A L I P I
MAT JL JEND GATOT SUBROTO NO 10 JKRT
IKASI AGAR KIRIM TTKHBS
PATAN : YBS DALAM RANGKA MELAKUKAN PENELITIAN
M BIDANG EKONOMI DIRJENIM
JAKARTA, 20 DES 1996

N.DIREKTUR JENDERAL IMIGRASI
SEKTUR LALU LINTAS KEIMIGRASIAN
UB

DIREKTORAT VISA

MEY ARONGGEAR

040010791



DEPARTEMEN PENDIDIKAN DAN KEBUDAYAAN

UNIVERSITAS UDAYANA

mpus Bukit, Jimbaran, Bali

Telp. (0361) 701812, 701884, 701797, Fax. (0361) 70

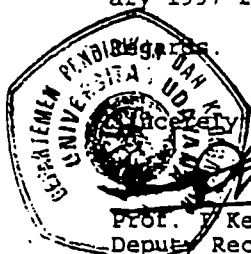
Ref No 2436/J14.I/KL.04.02/1996

Bukit Jimbaran, 9th July 1996

MS. Lesley Williams
Lecturer
Department of Economics and Marketing
Lincoln University
P.O. Box 84
Canterbury
NEW ZEALAND

Dear Ms Williams,

Thanks for your letter dated 24 June 1996 and I am happy to hear that Dr. Netera Subadiasa and the head of Udayana Research Institute as well as Indoinfo are helping you with necessary paper for the permit from LIPI. I hope everything is going well and I am looking forward to seeing you in January 1997 for your reseach.



Sincerely yours

Prof. Ketut Nehen.
Deputy Rector for Academic Affairs.

*Department of Economics
& Marketing*
PO Box 84
Lincoln University
Canterbury
New Zealand

Telephone:
(64)3 325 2811
Fax:
(64)3 325 3847

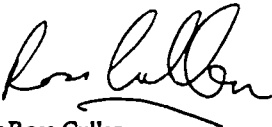
TO WHOM IT MAY CONCERN

Lesley Elaine Williams

Lesley Elaine Williams is a staff member at Lincoln University, Canterbury, New Zealand. She currently lectures in Business Strategy, Services Marketing, and a Marketing Principles course.

She is also enrolled as a part-time PhD student at Lincoln University, researching international trade encounters. Her research entails interviews with New Zealand and Indonesian traders.

Lesley will continue to receive a salary from Lincoln University while she is conducting her Indonesian phase of the study. This is likely to be undertaken between December 1996 and June 1997. She is, therefore, financially independent.



Dr Ross Cullen
Head of Department
Economics and Marketing Department

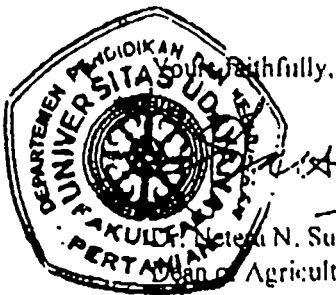
16 November, 1995

2 November, 1995

To Whom It May Concern

This is to certify that Ms Leslie E Williams met with the Dean of Agriculture, Dr Nete Subadiyasa M.Sc, the Assistant Dean Administration, Dr M.S Mahendra, the Head of the Department of Socio-Economics, Dr Arga and Ir. AA Amburwati, M.Ag. Sc. on Thursday 2 November, 1995. The meeting was held to discuss her proposal for conducting her Ph.D. research in Bali and the possibility of working with the Faculty of Agriculture. The meeting agreed in principle to support Ms Williams providing the necessary authorisations and clearances are obtained.

It is hoped that if the arrangements come to fruition that University of Udayana, Bali, Indonesia will develop academic and research links with Lincoln University.



Sincerely,
Nete N. Subadiyasa, MS.
Dean of Agriculture.

RESEARCH PROCEDURES FOR FOREIGN RESEARCHERS IN INDONESIA

INTRODUCTION

The purpose of the Decree of the President of the Republic of Indonesia No. 100/1993 is to enable the people of other countries to carry out research in the territory of the Republic of Indonesia. Initial clearance for research proposals is given by The Indonesian Institute of Sciences (LIPI). LIPI assisted by other concerned agencies within the Government of Indonesia known as Coordinating Team holds a monthly meeting to review research proposals.

APPLICATIONS

To enable the Coordinating Team to review a research proposal, researchers must submit their applications and the following supporting documents to do research in Indonesia to LIPI:

1. A formal letter of request to do research in Indonesia;
2. Six copies of a detailed research proposal which should have a title, stating objectives, methodology and concepts, as well as the duration, location (including a listing of village(s), town(s) and/or city(ies) where field research will be done and the starting date. This should be written in either English or bahasa Indonesia.
3. Six copies of researcher's curriculum vitae including a list of publications;
4. Two letters of recommendation one from a leading professor in the researcher's discipline and the other from an official of the researcher's home institute or university.
5. Letters of recommendation supporting the research plan from the Indonesian Sponsor. A letter from an Indonesian academic institution and/or a Research & Development Center agreeing to serve as sponsor for the researcher's tenure in the country is a key document, required by LIPI before the application can be

forwarded to the Coordinating Team. If a researcher cannot arrange a sponsor, LIPI will, but this is a more time-consuming process;

6. A letter guaranteeing sufficient funds to cover research and living expenses in Indonesia and fees for the Indonesian counterpart(s). The latter is optional and should be arranged between the researchers and his counterpart(s);
7. Three recent photographs (passport size);
8. Three copies of researcher's passport;
9. A list of the equipments brought to Indonesia, if any, to support the research. The value of these equipments should be stated in US dollars.
10. If a researcher plans to bring his or her spouse and children with him/her to Indonesia, the researcher must submit a copy of marriage certificate, spouse's resume, photographs and clear photocopies of his/her family's passports.

APPROVAL

When request for a research permit has been approved, LIPI will request the Directorate General of Immigration to issue a visa authorization number, which will be sent to the Indonesian Embassy or Consulate where the researchers apply for a visa.

ARRIVAL IN JAKARTA

Upon arrival in Jakarta, it is essential that researcher inform the Immigration Officials at the Soekarno-Hatta Airport his/her research site(s). The researcher will be given approximately three to seven days by the Immigration Officials to report to the Immigration Office in the research site(s).

Within the given period of time, the researcher must report to LIPI at the following address:

Bureau of S&T Cooperation
LEMBAGA ILMU PENGETAHUAN INDONESIA
Sasana Widya Sarwono Building, 7th Floor
10, Jl. Gatot Subroto
Jakarta Selatan
Phone : 5225711

The researcher should contact either LIPI, Soedargo (Head, Bureau of S&T Cooperation), Ibu Dewi Soenarijadi or Ibu Kristiawati, 7th Floor, Room 710, of the Sasana Widya Sarwono Building.
Phone : 5225711, ext. 237/240.

LIPI will provide the researcher with the following necessary documents:

1. A letter to be taken to the Police Headquarters at Direktorat INTELPAK, Jl. Trunojoyo No. 3 Kebayoran Baru, Jakarta Selatan to obtain a Surat Ijin Perjalanan.
2. A letter to the local Immigration Office nearest to the research site, if a researcher is going to stay in Indonesia for 4 (four) months or more.
3. A letter to the Ministry of Home Affairs (Departemen Dalam Negeri), Division of Social and Political Affairs, Jl. Medan Merdeka Utara No. 7-8, Jakarta Pusat. The Departemen Dalam Negeri will issue a supporting document the following day;
4. A letter to the Directorate General of Tax, if the researcher is going to conduct research for at least (four) months;
5. A Letter to the researcher's Indonesian counterpart and,
6. A research permit (Surat Ijin Penelitian)

ARRIVAL AT THE LOCAL RESEARCH SITE(S)

Immediately upon arrival at the research site, researchers must report to the following offices to present:

1. A letter from LIPI to sponsor;
2. A letter from LIPI to the Local Immigration Office;
3. A letter from the Departemen Dalam Negeri to the Local Municipal Administration (Pemertintah Daerah) Division of Social and Political Affairs;
4. A copy of "Surat Jalan" issued by The Police Headquarters in Jakarta.

REPORTING ON RESEARCH PROGRESS

Researchers are required to submit to LIPI six copies of a Quarterly Progress Report. Failure to fulfil

requirements will oblige LIPI to revoke the research permit and its support of the research. Consequently, the researcher will be advised to leave the country.

EXTENDING A RESEARCH VISA

Should researchers need to extend their research and stay permits, they have to submit the following documents to LIPI three months prior to the expiration date of the initial permit:

1. A letter explaining the reason for an extension;
2. Provisional Final Report (six copies); and
3. A letter of support from the researcher's Indonesian Counterpart.

RESEARCHER'S OBLIGATION

1. Researcher is prohibited to undertake activities other than stipulated in his research permit.
2. Researcher is required to respect the custom, tradition and cultural values prevailing in the region of research site(s).

When travelling within the country, researcher should take with him copies of all immigration and police documents. Researchers should also take along his letters of permission to conduct research from the police headquarters in Jakarta and from LIPI.

COMPLETION OF RESEARCH

Upon the completion of the research, researchers must obtain an "exit permit only (EPO)" from the Immigration Office and fiscal exemption from the tax office. The fiscal exemption (bebas fiskal) exempts researchers from paying the Indonesian exit fee or fiscal. It is only given by the Indonesian Tax Office and only to researchers when they complete their research.

Following is the procedures to obtain an EPO and fiscal exemption through LIPI:

1. One month prior to the completion of the research, researchers should submit their interim reports to LIPI and inform LIPI of the exact date of departure from Indonesia. He and his counterpart should write

directly to Kepala Biro Kerjasama, Iptek, LIPI, notifying that his research is almost done and he plans to leave Indonesia on (date of departure). Attach to the counterpart's letter an interim research report in five copies consisting of 25-30 pages. In the letter, the counterpart should request LIPI to prepare a cover letter to the Immigration Office requesting it to issue an EPO and a cover letter to the tax office for a "bebas fiskal" for researcher.

2. Researchers should submit LIPI's cover letter and a completed EPO application form, passport, immigration documents (KIM/S card and POA booklet) and the letter from the sponsoring institution to the Immigration Office that issued KIM/S card and POA booklet.
3. Researchers should submit LIPI's letter to the tax office in Jakarta three working days prior to his/her departure.

1. Report (5 copies)
2. Letter... date of departure.
... ask for cover letter for
Immigr. asking for EPO
3. Cover letter to tax office asking for
bebas fiskal (4 refund for 3 mps to NZ
Feb, May, June)

Jalan Jend. Gatot Subroto No. 10
"Sasana Widya Sarwono" Lantai VII
Jakarta Selatan - Indonesia

Telp. 6226711

Telex 62654 IA

Fax. 5207226

Tromol Pos 1250/Jakarta 10012

4324/Jakarta 12190

Jakarta 12710



LEMBAGA ILMU
PENGETAHUAN INDONESIA
(LIP)
Indonesian Institute of Sciences

RESEARCH PROCEDURES FOR FOREIGN RESEARCHERS IN INDONESIA

1995

Procedures for obtaining permission for research in Indonesia

Initial Application to LIPI (Lembaga Ilmu Pengetahuan Indonesia- Indonesian Institute of Sciences)

This should include:

- A formal letter requesting permission for research in Indonesia,
- Six copies of the research proposal (objectives, methodology, concepts, duration, location (mention all sites you may possibly want to work in, it is very hard to change this later), starting date, work plan (apply for longer than necessary), and details of collaborating institutions in Indonesia and U.K.,
- A letter of recommendation from your sponsor in Indonesia, if it is not LIPI,
- Two letters of recommendation: one from your University/institution, one from a professor/expert in your field of research (or your supervisor),
- Six copies of your C.V., including any publications,
- A letter guaranteeing sufficient funds for your stay in Indonesia: living expenses, research costs, payment for counterpart (s) etc.
- Three recent photos (passport size),
- Passport details, 3 copies of passport.

The response from LIPI can take more than six months. When your application has been approved, the Visa Berdiam Sementara (VBS) can be obtained from the Indonesian Embassy in your home country/Singapore etc.

London

Embassy of the Republic of Indonesia, 38 Grosvenor Square, London. W1X 9AD Tel 0171 499 7661

Contacts: Mr Sardjono Sigit, Educational and Cultural Attache (usually for initial enquiries)
Mr Umar (can check if authorisation for your VBS has arrived from Indonesia)
Mr Kristio, Head of Consular Section (queries with processing your passport)

For Visa Berdiam Sementara complete 2 forms (at Embassy), and you need

- 2 copies of your CV,
- 2 photos,
- 2 copies of letter from sponsor
- 2 copies of letter guaranteeing funds
- cheque for £50 (get a receipt),
- your passport.

Consular Section is open 10am-1pm for this, and 2pm-4pm for passport collection the following day.. Call first to make sure the Embassy will be open on 2 consecutive days (i.e. no Muslim holidays, obscure Christian holidays or staff trips to sports tournaments in Amsterdam!).

Immigration at airport in Indonesia

Tell them where you will be living (e.g. Jakarta/Bogor) and they will stamp your white card telling you which immigration office to report to, and by what date (usually within 2 days).

LIPI

Jl. Gatot Subroto Number 10, Jakarta. 7th Floor. Tel 5225711 Fax 5207226

Contacts: Bu Dewi Soenarjadi, Head of Bureau of Science and Technology Cooperation ext 240
Bu Krisbiwaty, ext 237, head of the office where letters are prepared.

- Fill in a form (including all the places you will want to work).
 - Copy of passport/photo
- They will type you a letter of recommendation to take to the police.

Police

Jl Patimura

Take number 66 bus from outside LIPI (same side of the road). Ask for Mabes/Polisi, 300rp, 15 mins. Cross road to police building. Office is on 2nd floor.

- Fill in another form,
- 2 copies of passport,
- 2 photos.

They will type you a 'Surat Jalan' (travelling permit). This has to be shown to the police at your research site/nearest town and capital of province.

SW 28/6/95

Research Procedures once in Indonesia (from UK researcher)

LIPPI

Take no 66 bus from same side as police building back to LIPPI.

Photocopy Surat Jalan for LIPPI, SosPol and yourself (there is a photocopier in the 'Korporasi' shop on the ground floor of the LIPPI building). LIPPI then type you 3 letters for:

- Immigration
- SosPol
- Your sponsor
- Pajak (tax office)
- Yourself

JL. RASUNA SAID KAU 9.7
DEPARTEMEN KEHAKIMAN
IMIGRASI: 2nd floor

Immigration

Jakarta or Bogor (wherever you are staying).

Bogor: Jl Jend. Achmad Yani.

Take green angkutan Number 07 (red number) from railway station. Ask for Kantor Imigrasi Or green angkutan Number 08 to Warung Jambu, then 07 to Immigration.

To get a KIM/S visa (Kartu Izin Masuk Sementara)

- Fill in LOTS of forms, (buy a pink folder for 2000Rp), give them ³ eight ~~five~~ photos and two small ones, x copies of passport. Then go to at least 8 different people who each add a slip of paper and scribble on it.
- Following day: Pay 125 000Rp. Have your fingerprints taken. Leave your passport.
- Approx 3-4 days later, get more signatures, collect your passport and ID card and blue book.

SosPol (Direktorat Jenderal Sosial Politik)

Jl Merdeka Utara No.7. 4th floor.

Close at 3.30pm.

Tel 373908

Take bus 604 from

LIPPI to Jl Thamrin, then PPD bus No.12 to SosPol. At least 30min. Or walking distance from Gambir station.

- The letter from LIPPI,
- Letter from the police,
- One photo, one copy of passport.

They will type you letters (Surat Pemberitahuan Penelitian) to take to the Sos-Pol office in the capital of the province and the nearest town to where you are working, before you start your research.

Pajak

(next to bandara dekat kebus Pajak)

If you are on a KIM/S visa, and are a student, then you do not have to pay the exit tax of 250 000Rp if you leave the country while your visa is running. Take the letter from LIPPI before you go to the field, and a letter from your sponsor requesting that you be exempted from the tax.

In the Field

Before going to your site, you have to get authorisation from:

- SosPol in the Province: take the letter from SosPol Jakarta, a photocopy of your research proposal, two photos. Ask for the maximum number of Kabupaten in which you want to work. They will give you a letter for yourself and for SosPol in the Kabupaten (District).
- SosPol in the Kabupaten. They will prepare letters for Kecamatan (sub districts) you will work in.
- Central Office of the Kecamatan (Kantor Camat). Sometimes you get a letter from here too.
- Village Office (Kantor Desa)

These authorisations are usually valid for three months. Report to the police when you arrive (get a letter to prove you have reported (Surat Tanda Melaporkan) and report again when you leave.

Other

Reports to LIPPI

Every 3 months (4/5 pages). Address them to Head of LIPPI, Soehartono Soedargo M.Soc.Sci. Send them to the Bureau of Science and Technology Cooperation LIPPI. Tentative final report: just before leaving the country-include data and preliminary conclusions. Final Report. More details (in Indonesian) on the back of the research permission letter from LIPPI.

Leaving the country

Apply for exit permit at least 10 days before. Send a letter to LIPPI, with a letter from your sponsor. They will prepare a letter for Immigration which you take to the office where you registered. Then go to the Pajak to obtain an exemption certificate/letter for the authorities at the airport.

Renewing your visa

3 months before your visa expires, write to LIPPI Jakarta requesting an extension, with a letter from your sponsor.

SIV 28/6/93

APPENDIX 5: BALINESE TRADE AND EXPORT STATISTICS

V-16

TABEL 5.1.12 : REALISASI IMPOR DAERAH BERDASARKAN PENGENAAN BEA MASUK, 1991/1992 - 1995/1996.

NO	TAHUN	DUTY ABLE/ KENA BEA (US \$)	NON DUTY ABLE/ UEBAS (US \$)	JUMLAH (US \$)
1	2	3	4	5
1	1995/1996	234,674,969.00	18,320,640.00	250,995,609.00
2	1994/1995	175,407,120.00	1,409,915.00	176,817,035.00
3	1993/1994	184,394,500.00	4,435,220.00	188,829,720.00
4	1992/1993	1,511,064.79	943,486.23	18,054,551.02
5	1991/1992	5,203,887.87	1,183,209.28	8,387,096.95

SUMBER : KANWIL VII DJEN BEA CUKAI DENPASAR

V-17

TABEL 5.2.1 : TINGKAT INFLASI BALI DAN NASIONAL, 1995

NO	URAIAN	BALI (%)	NASIONAL (%)
1	2	3	4
1	MAKANAN	7,68	13,32
2	PERUMAHAN	3,11	5,67
3	SANDANG	4,04	6,50
4	ANEKA BARANG DAN JASA	6,50	7,00
BALI 1995		5,77	8,64
1994		7,41	9,24
1993		9,93	9,77
1992		6,84	4,94
1991		8,92	9,52

SUMBER : KANTOR PUSAT STATISTIK PROPINSI BALI.

V-14

TABEL 5.1.10 : PERANAN EKSPOR HASIL INDUSTRI TERHADAP TOTAL NILAI EKSPOR, 1995.

NO	TAHUN	REALISASI EKSPOR (US \$)	EKSPOR HASIL INDUSTRI		
			INDUSTRI KECIL DAN KERAJINAN (US \$)	ANEKA INDUSTRI (US \$)	JUMLAH (US \$)
1	2	3	4	5	6
1	1991	265,031,357.00	181,350,501.00 (68,43 %)	11,331,726.00 (4,27 %)	192,682,227.00 (72,70 %)
2	1992	284,425,705.45	193,372,866.18 (67,99 %)	1,468,864.50 (0,52 %)	194,839,730.68 (68,51 %)
3	1993	294,822,936.94	200,436,805.18 (67,99 %)	1,742,869.00 (0,59 %)	202,179,674.16 (68,58 %)
4	1994	299,184,839.85	227,308,454.77 (75,98)	274,328.25 (0,09)	227,582,781.02 (76,07)
5	1995	298,727,519.83	149,225,384.19 (50,29)	-	149,225,304.19 (50,29)

SUMBER : KANWIL DEP PERDAGANGAN PROP. BALI.

V-15

TABEL 5.1.11 : PERANAN EKSPOR HASIL PERTANIAN TERHADAP TOTAL NILAI EKSPOR, 1995.

NO	TAHUN	REALISASI EKSPOR (US \$)	EKSPOR HASIL PERTANIAN		
			PERKEBUNAN (US \$)	PERIKANAN (US \$)	JUMLAH (US \$)
1	2	3	4	5	6
1	1991	265,031,357.00	15,133,607.00 (5,71%)	56,554,482.00 (21,34%)	71,688,089.00 (27,05%)
2	1992	284,425,705.45	9,809,470.10 (3,38%)	77,956,169.72 (27,41%)	87,565,639.82 (30,79%)
3	1993	294,822,936.94	8,995,884.00 (3,05 %)	80,376,419.85 (27,26 %)	89,372,303.85 (30,31 %)
4	1994	299,184,839.85	12,667,880.18 (4,23 %)	54,614,052.66 (18,25 %)	67,281,942.84 (22,48 %)
5	1995	298,727,519.83	5,666,254.88 (1,91%)	51,278,409.87 (17,28%)	56,944,754.85 (19,19%)

SUMBER : KANWIL DEP PERDAGANGAN PROP. BALI.

TABEL 5.1.8 : PERKEMBANGAN PENYELESAIAN PENDAFTARAN PERUSAHAAN
DIHINCI MENURUT BADAN HUKUM USAHA PER KABUPATEN/
KODYA, 1995.

NO	KABUPATEN	BADAN USAHA (BUAH)						JUMLAH (BUAH)
		PT	KOP	CV	FA	PP	BUL	
1	2	3	4	5	6	7	8	9
1	JEMBRANA	35	25	118	3	1.408	2	1.589
2	TABANAN	75	48	124	2	2.028	30	2.308
3	BADUNG	356	14	367	4	1.782	14	2.550
4	DENPASAR	1.277	110	1.317	48	4.818	72	7.838
5	GUANYAR	80	13	163	10	1.898	7	2.171
6	KULINGKUNG	18	15	85	1	885	20	824
7	BAKILI	30	28	71	2	713	13	858
8	KARANGASEM	27	14	155	1	1.188	20	1.383
9	BULELENG	87	37	224	7	3.524	37	3.916
BALI : 1995		1.868	308	2.612	78	18.000	218	23.237
1994		1.868	263	2.305	86	17.362	204	21.842
1993		1.404	278	1.912	78	16.722	193	18.549
1992		1.172	288	1.656	76	15.115	182	16.482
1991		938	253	1.428	75	14.684	181	17.567

SUMBER : KANWIL DEPARTEMEN PERDAGANGAN PROP. BALI

TABEL 5.1.9 : VOLUME DAN NILAI EKSPOR DIRINCI PER KOMODITI, 1995.

NO	KOMODITI	SATUAN	VOLUME	NILAI (US \$)
			3	5
1	KERAJINAN PERAK	PCS	10.016.859	17.255.720.65
2	KERAJINAN KAYU	PCS	35.602.832	81.910.218.37
3	KERAJINAN ANYAMAN	PCS	397.108	482.731.86
4	KERAJINAN BATIK	PCS	2.902	4.844.88
5	KERAJINAN LUKISAN	PCS	1.547	155.837.50
6	KERAJINAN KULIT	PCS	965.184	2.142.912.30
7	KERAJINAN TULANG	PCS	53.028	77.453.81
8	KERAJINAN KERANG	PCS	270.525	277.001.08
9	KERAJINAN KERAMIK	PCS	1.381.491	1.878.778.87
10	KERAJINAN BAMBU	PCS	797.848	1.482.178.78
11	KERAJINAN ROTAN	PCS	225.885	899.989.87
12	KOMPONEN RUMAH JADI	PCS	-	473.385.73
13	KERAJINAN LAIN-LAIN	PCS	4.503.829	1.901.169.86
14	GARMENT/TPT	PCS	29.514.522	147.103.100.84
15	IKAN DALAM KALENG	KG	0	0
16	BURUNG HIDUP	EKOR	170	14.980.00
17	IKAN TUNA	KG	8.789.410	46.490.322.18
18	IKAN LAINNYA	EKOR	-	3.282.007.98
19	RUMPUT LAUT	KG	8.160.729	2.258.975.38
20	KOPI	KG	1.041.318	3.407.279.50
21	PANILI	KG	108.875	234.843.43
22	LAIN-LAIN	PCS	1.175.681	8.124.208.33
BALI : 1995		-	-	206.727.519.83
1994		-	-	205.548.800.45
1993		-	-	204.822.906.94
1992		-	-	284.425.705.45
1991		-	-	285.031.357.00

SUMBER : KANWIL DEPARTEMEN PERDAGANGAN PROPINSI BALI

DEPARTEMEN DALAM NEGERI
PEMERINTAH PROPINSI DAERAH TINGKAT I BALI



DATA BALI MEMBANGUN 1995

BAPPEDA TINGKAT I BALI

APPENDIX 6: SCENE SETTING, SANUR, BALI

APPENDIX 6

SCENE-SETTING, SANUR, BALI

Sanur is a popular and relatively quiet tourist destination, about twenty minutes drive from Nusa Dua, an upmarket resort, and Kuta, a seaside tourist town popular with the young and young-at-heart. All three areas cater to quite a distinct tourist segment (Figure 5.1).

Restaurants and Retail Outlets

Jalan Danau Tamblingan (Danua Tamblingan Street), alongside Pantai Sindu (Sindu Beach) is one of the main roads in Sanur. Its beachside is crammed with hotels surrounded by lush tropical gardens and swimming pools. Squeezed between them one can also see the occasional tourist restaurant or shop. Most of these though are on the other side of the street, since beachside land is extremely sought after, expensive, and is more likely to be allocated or sold to well-connected individuals.

Shops in Sanur catered almost exclusively to the tourist trade. A few wealthy Balinese used their services, however, most locals preferred to shop in the local market (Pasar Sindu), local warung¹, or department stores in the capital, Denpasar. Shops targeting tourists had a local flavour all of their own, certainly without parallel in the Western developed world- All included at least one shrine for their Balinese owners or workers to worship the local Balinese Hindu gods at during the day². The special values placed on religion and ritual in daily lives was one of the first major impressions I had in the field. This matter is commented on in greater detail throughout this interpretation.

¹ The New Zealand equivalent of this is the corner dairy, although in Indonesia these are much smaller, cruder businesses.

² Hinduism arrived in Indonesia, from India, before the tenth century. When Islam spread across the archipelago several centuries later, Bali maintained its Hindu religion. While there is some similarity in Balinese and Indian Hinduism, there are also many differences. Agama Hindu, the Balinese Hindu religion is a mixture of the animism worshipped by original inhabitants, Buddhism, and Hinduism. Their supreme god is Sang Hyang Widhi Wasa, although there are other lesser gods too.

Restaurants came in a variety of shapes and sizes - many open-sided because of the heat and humidity, and often decorated with lush greenery, intricate wooden carvings, and rich local fabrics. They typically offered a wide array of local and European dishes to cater to the tourist trade, however, after several weeks in the field the similarity in their menus became more obvious. Little differentiation was evident, except for those newer outlets with foreign ownership.

In the evening, on the pavement in front of many these establishments, one could usually see young Balinese hosts and hostesses dressed in ethnic costumes, greeting passing tourists and trying to entice them inside. Since there seemed to be an over supply of restaurants, the success of these establishments rested heavily on the personality of these young hosts, as well as the reputation of the food they provided

Shops selling other products to tourists were plentiful too. They also came in many guises, although most were very basic structures; small, close-sided, crammed with goods, and very, very hot. Very few specialised by product-line, most instead trying to cater to all tourist proclivities by sourcing items from friends and relatives, and more formal contacts. Among the items typically found in such an outlet were wooden handicraft, basketware, batik clothing, kites, silver jewellery, T-shirts, sun hats, and shoes. Dickering (Sherry, 1990) and haggling, the traditional manner of exchange, was prevalent in these outlets, although all restaurants had fixed price menus. This issue is elaborated on in the following sections.

Buying and Selling

Stock for tourist shops in Sanur and the rest of Bali often came in via car or motorbike. Since most of these establishments did not have telephones, stock was replaced when suppliers arrived or owners went to manufactures or local markets selling different items.

In general, competition was very fierce for all retailers in Sanur, stall owners, and restaurateurs while I conducted fieldwork in Bali in 1997. This situation is likely to have been exacerbated by the Asian financial crisis, and the resulting drop in tourist numbers and

local hard-cash. The sheer number of these outlets, however, and the similarity in their service offerings was also likely to have contributed to this situation. In fact, it was quite common to see many restaurants empty day after day, although there were always a few continually jam-packed. This latter situation seemed to be regulated by tourists themselves - via word-of-mouth and the assumption that if a restaurant was full then food had to be tasty and safe. Shop owners were also effected by low sales. From observation and discussions with local shop employees, it appeared many days would sometimes pass before a sale was made. Certainly the lack of air conditioning in these premises made purchasing an unpleasant experience for many tourists, something most retailers tried to overcome by providing electric or hand-held fans. Only the very hardy, adventuresome, or very new tourists seemed prepared to put up with the oppressive heat and venture inside. How much trade had shifted to the city centre, with its air-conditioned malls, was hard to gauge, nevertheless, most tourists I spoke with had planned a shopping expedition to such premises, or in less humid places, like on the beach or inland Gianyar (Figure 5.1).

Sales in local markets and tourist retail outlets in Bali follow the traditional haggling or dickering pattern. This is a polite process - part wits, part high finance, and part relationship skills. It bears no similarity to the protracted negotiations discussed by many IM scholars (Chapter 2, Table 2.2) or the many economists and marketers concerned about transaction costs and efficiency. This practice largely remains unchanged, although in the main tourist centres, such as Kuta, Nusa Dua, Denpasar, and Sanur (Figure 5.1) modern retail outlets now commonly have fixed prices to cater to foreign buyers and to regulate their businesses.

Local custom and folklore has it that buyers can get the best price in the early morning ('morning prices') as more traditional sellers are keen to start the day well. As will be discussed in more detail throughout this chapter, many Balinese believe a morning sale is auspicious. It means that good spirits surround them, at least for that day. This is a serious matter for many Balinese Hindus whom believe that they are part of a greater cosmos that includes many good and evil spirits. One of the core tasks in the life of a Balinese is to constantly ensure that they placate evil forces and encourage those that are good. In fact,

Picard (1996) observed that nearly a quarter of the daily life of a Balinese Hindu is spent trying to balance these unseen forces, by praying and giving offerings to the various gods, ancestors, and other spirits in which they believe. Another key understanding that evolved from my time in the field was the significance of the impact of the local religion, with all its ritual, on business lives.

On the Street

Outside the shops and restaurants, along Jalan Danau Tamblingan, the footpath and street always hummed with life, except perhaps, between one and four in the morning. The rest of the time tourists, locals, Javanese street peddlers (see Appendix 3), the occasional beggar, bemos (small local buses), motorbikes, private cars, taxi cabs, mobile food cart sellers, taxi-drivers, and dogs, all jostled for space. Much of the action though, took place in the morning and evening when it was much cooler. At midday, only the very hardy or ignorant tourist could be spotted out walking in the sun and heat. Locals typically snoozed at this time, the women typically making preparations in the shade somewhere for their seemingly never-ending religious ceremonies and prayers.

Company and private tour guides tout for business on footpaths along the main tourist beats. These are usually young Balinese males, with a clear working patch. Once they catch the attention of a passing tourist, they begin their patter - either a hard or soft sell, sometimes both, depending on personality factors, it seemed, and what worked for them. Prices for their services varied enormously too, depending on supply and demand. Prices hit rock bottom in mid-1997, during the Asian financial crisis, with many guides accepting just enough profit to survive. All were still always on the lookout for 'green' tourists, since they often paid exorbitant prices because they knew no different. As a local informant explained with some relish, "They're easy to spot because they walk fast and look so nervous." Indeed after living locally for a number of weeks, it was quite obvious who the new tourists were, although probably the local guides soon got to recognise tourists too.

Street hawkers, some on foot and others on motorbike, are a common sight in tourist resorts, like Sanur. Unlike those providing transport, these sellers are mobile and tend to be

young Javanese men³. They sell everything from imitation perfumes and watches, to shoes, silver jewellery, and leather belts - all on a commission basis for their boss. Mobile food carts, some hand-pushed and others attached to bicycles, are also seen on the street. These cater to the local market - prices a fraction of that paid by tourists in restaurants nearby.

The Balinese Pakarangan

Running between many of the tourist outlets on Jalan Danau Tamblingan is a labyrinth of tiny alleyways leading to local houses behind. Off these are even narrower dirt tracks which give access to more local homes. These paths are strewn with mangy, flea-ridden dogs, hosts of scrawny chickens, and the occasional cat. In the rainy season, between October and March, they quickly become steaming mud puddles for much of the time. It was down one of these narrow alleyways, five minutes from the main road that I lived with locals while conducting this research.

A typical Balinese family compound (pakarangan) contains several houses and generations of a family, and is surrounded by a high wall. It is home to the male members of a family, since custom has it that Balinese women reside with their husband's once wed. Within these walls are numerous shrines to the Balinese gods and a family temple where ancestors dwell. The latter are deified as spirits by local Balinese Hindus, who believe that after death a soul is reborn. To ensure that this happens, there are a continual flow of ceremonies to respect the dead, to welcome new life, and to assist the living through the different stages in their lives (Eiseman, 1990). I lived in such a place for seven months.

³ Java is the main Indonesian island and home of the capital, Jakarta. Most of its inhabitants are Muslim. This island is extremely over-populated, with many rural poor. A considerable number of these young males go to richer islands like Bali to make a living and send money home.

APPENDIX 7: CHAINS OF ASSOCIATION

APPENDIX 7

CHAINS OF ASSOCIATION

1a	New local buyers > arts market > price > order/timing > (trust)
1b	Regular local buyers > phone (fax/visit) > (sample)order > deliver/timing > slow to pay > want keep
2a	New foreign buyers > visit shop/translator > look/price(order) > leave (return) > deposit/order
2b	Regular foreign buyers > visit(sample)/phone(fax) > order(price) > deposit > pay/delivery
3a	Foreign buyers > (polite)visit > pay on time > big orders > 2-4 times year
3b	Customer > do business with anyone/help > on time/quality > regulars > satisfied/return
4a	Competition > quality/new ideas > (bottom price) > copying > (minimum order/no cameras)
4b	Orders > supplies > (capacity) > quality (dry wood/good painting) > deliver on time
5a	Ceremonies > religion/family/banjar > juggly/balance > both important > family help > calendar/planning
5b	Mastercraftsmen > create > think/feel > display no cameras > visit > (exhibit) > full payment
6a	Business start – up > family/neighbors (warungcopi/making and selling while at school) > talking to foreigner

() sometimes occurs